

Weekend



Africa rising
'As a black man, the Slave House makes Hodart's flesh crawl. He hears voices crying out'

Page I



Room of Desire
'Images allegedly reflecting my secret wishes were flashed on to a screen for all to see'

Page IV

FT
FINANCIAL TIMES
FEBRUARY 14/FEBRUARY 15 1998

Weekend



A Free Man
'It was beauty I wanted, not time and all that - beauty and pure pleasure before it got too late'

Page V



Jancis Robinson
'So, there you have it. The 1993 red Bordeaux may not be much fun to drink - but it is useful'

Page XII

Accountancy merger called off

By Jim Kelly in London

Regulatory fears halt KPMG-E&Y plan

The \$18bn global merger of KPMG and Ernst & Young was abandoned yesterday, abruptly ending plans to build the world's biggest accountancy firm.

The sudden collapse of the deal, which would have created a firm dominating the sector on both sides of the Atlantic, leaves the rival merger plan of Price Waterhouse and Coopers & Lybrand a clear frontrunner to win regulatory approval.

Colin Sharman, prospective head of KPMG-E&Y, said that the deal had run into increasing regulatory concerns in the US, European Union, Canada, Australia, Switzerland and Japan.

"The dislocation and the costs meant we had to look at it again," he said.

It was better to call it off now rather than struggle on and then get a 'no' from regulators," he said.

He denied the merger had simply been a "spoiler" to stop Price Waterhouse and Coopers & Lybrand getting regulatory approval for their \$18bn merger.

"There were signs all the big regulators were working together - slowing things down and converging in preparation for blocking it," said one senior KPMG partner. However, it is understood that E&Y may have precipitated the collapse of the merger.

A meeting this week in Grand Cayman discussed clashes between the cultures of the two firms and increasing resistance from clients.

It is also understood there were growing worries about how long it would take to merge the two firms and begin to reap the rewards of combining capital to invest in serving global clients.

The decision will be seen as significantly increasing the chances the Price Waterhouse-Coopers & Lybrand merger will obtain regulatory approval.

Competition regulators in Brussels and Washington had been looking at the mergers in parallel and there were doubts they would allow the so-called

such as the audit of the UK FTSE 100 companies.

The collapse may prompt new partnerships among the four non-merging Big Six firms. But KPMG and E&Y said they were not interested in a new partner.

Mr Sharman said KPMG would investigate other ways of raising capital for investment in serving global companies: "I will have to tackle the capital markets - possibly through a flotation of loan stock."

The merger was announced in October, two weeks after the PW and Coopers plans. Regulatory interest outside the EU and US will be seen as a new development.

When life is hard this card makes it verse

By Richard Tomkins in New York

Happy Valentine's Day. Alternatively, if you've just been downsized, your children are on drugs and your wife's run off with the man next door, don't worry - Hallmark has a card for you, too.

In the US these days, there is almost no occasion so ghastly or distressing in which Hallmark Cards, the world's biggest greetings card company, is caught short of the appropriate sentiment.

A terminal illness in the family? Dog just died? Daughter joined a religious cult? Cheer up: a Hallmark card is on its way.

In April, Hallmark plans to plug one of the few remaining gaps in its "difficult life situation" range by launching a suicide card to comfort the friends or relatives of people who have taken their own lives.

The message reads: "When someone we love flees from life, it is so hard to understand. It is impossible to know just how much suffering there must have been. But our compassionate Creator sees clearly into what is beyond our understanding, and has already welcomed your loved one home."

Other cards address the grim realities of Alzheimer's disease, AIDS and divorce. And just in case, some of them are available in Braille.

Hallmark, founded by Joyce C. Hall in 1910, is a private company based in Kansas City, Missouri. Its cards sell in 100 countries, and the heart-warming verses inside them have established a global benchmark for mawkish sentimentality.

In the US, however, all the most obvious occasions for card-giving have been milked, and Hallmark is seeking new opportunities for growth: hence, the company's decision to extend its brand into the misery industry.

Hallmark says its cards help people find the right words in difficult situations. According to a company poll, 82 per cent of respondents said they would rather share their feelings in a card or note than face-to-face or by telephone.

Steve Bellis, a general manager, says the sentiments expressed in Hallmark cards can have a therapeutic value, contributing to a "healing environment" for people in need of comfort.

"They're like little care packages of words," he says.

One card offering comfort to someone who has lost their job shows a box marked "Life", with the "This way up" sticker obviously upside down. "If only it came with a manual," the card says.

Another, offering sympathy for the loss of a pet starts: "They will not go quietly, the pets who've shared our lives. In subtle ways they let us know their spirit still survives."

One of the oddest cards, intended for someone who has suffered the sudden death of a loved one, purports to have been sent by the deceased. "I'm with the Lord in Heaven now - you knew that's where I'd be," the writer says, before moving on to the conclusion: "It's hard at the beginning, but I know you'll make it through. I hope it helps to know that I'll be waiting here for you."

The card retails for \$2.25, but it is not clear where in heaven the deceased can expect to buy it: nor indeed, whether the United States Postal Service's facilities extend to the afterlife.

Australia's PM promises vote on republican issue

Referendum is set for 1999

By Gwen Robinson in Canberra

Australia's monarchist prime minister yesterday promised a referendum next year on whether the country should become a republic.

The country's constitutional convention had voted 99 to 98 in favour of becoming a republic, with 11 abstentions, prompting enthusiastic applause and cheers from delegates and observers.

John Howard, the prime minister, a delegate to the convention, said his government would honour its promise to put the results to a national referendum by the end of 1998. Under the country's electoral laws, the referendum would be compulsory and binding.

Mr Howard said that given the



Republicans at the constitutional convention congratulate each other over yesterday's result.

Australia's system of sharing its legal head of state with other nations was "no longer appropriate".

They warned that no referendum vote in Australian history had gone against the views of the prime minister.

The convention also voted yesterday on the preferred model for a republic. Delegates decided by a narrow majority that the president should be appointed by parliament.

The consensus, however, was hard won and followed days and nights of acrimonious debate, not just between republicans and monarchists.

The republican movement is

deeply divided over what the new republic should look like.

In the run-up to a referendum, the most contentious issue will be whether the president of a new republic should be elected directly by popular vote or by parliament.

Monarchy snubbed, Page 3

News General

Clinton firm on Iraq

President Bill Clinton yesterday brushed aside Russian objections to a possible military strike against Iraq, insisting that he had "bent over backwards for months" to achieve a diplomatic solution, and one was still possible if the Iraqi side gave way. Page 3

German guild rules reach cyberspace
In 12th century Germany, Meister craftsmen sang a little and formed powerful trade guilds which still regulate much of the economy. Yesterday a new category of "information technician" was included in a revised list of 94 professions - from bell-founder to car technician - which fall under strict rules governing the training of Germany's craftworkers. Page 2

Sailors balk at Panama Canal charges
Yachtsmen have had the wind taken out of their sails by the Panama Canal Commission's plans to charge a minimum \$1,500 transit fee for small vessels instead of a tonnage-based toll. The plan - representing an average six-fold rise - could persuade many sailors to shun the canal and head for Cape Horn instead. Page 3

Conversion law irks Jews
Israel's Orthodox Chief Rabbi refused to compromise on conversions to Judaism, turning down proposals by finance minister Yehoshua Neeman which would have given partial recognition to the Reform and Conservative Jewish movements. The Rabbi's decision could drive a wedge between Israel and the diaspora and deepen divisions among the different strands of Judaism in Israel. Page 4

News Business

IMF warns Indonesia

The International Monetary Fund warned Indonesia that implementing a rigid currency regime now could further undermine confidence in its battered economy. IMF managing director Michel Camdessus said Jakarta should make economic reforms before establishing a currency board to fix the value of the rupiah, which shed nearly 22 per cent against the US dollar yesterday before recovering to Rp8,000. Page 24

DMG loans investment bankers to Merrill
Deutsche Morgan Grenfell's joint heads of investment banking in France are moving to Merrill Lynch, Francois Cheneard and Marc Paudouval will take the same roles for the US investment bank - a sign of fall-out from Deutsche Bank's restructuring plan. Page 23

BT poised to tear up Spanish deal
British Telecommunications plans to tell Telefonica that it intends to compete head-on in Spain with the country's dominant telephone operator. The move unilaterally ends plans for Telefonica and BT to co-operate in Concert, the UK company's global supercarrier. Page 23

European stocks make modest gains
The FTSE Eurotop 300 share index finished the week on a firm note, 4.6 points higher at 1,079.7. Most of the main European stock exchanges had a positive day, with gains in Zurich, Frankfurt, Paris, Madrid and Amsterdam, where Philips and its entertainment offshoot PolyGram enjoyed a strong session. Milan stocks eased as Italian banks traded lower. Page 21; International Investor, Page 22

Demutualisation trend goes global
Life insurer Prudential Insurance of the US unveiled plans to abandon its mutual status on Thursday, and become a quoted public company. Last year a UK demutualisation boom showered £36bn (\$58.4bn) of windfalls on one in three adults. Now the trend has gone global, with demutualisation proposals emerging in Australia, South Africa, Canada and Ireland. Page 7

FT.coms the FT web site provides updated news and an online archive of back articles at <http://www.ft.com>

Contents

| | | | | | |
|--------------------|-----|---------------------|-------|-------------------|-------|
| International News | 2-4 | Companies & Finance | 22-23 | Managed funds | 10-16 |
| UK News | 5 | Markets | 16-17 | Money markets | 9 |
| Weather | 24 | FTSE Asia | 17 | One trading date | 11 |
| Lat | 24 | FTSE 4-Week Index | 17 | Recent issues | 17 |
| Lead | 24 | Foreign exchange | 23 | Share information | 18-19 |
| Features | 6 | Gold markets | 25 | World commodities | 8 |
| Leaders Page | 8 | Equity options | 17 | Wall Street | 20-21 |
| Letters | 6 | London 88 | 17 | Business | 20-21 |
| Men in the News | 7 | US savings | 21 | | |

© THE FINANCIAL TIMES LIMITED 1998 No 33,524 LONDON • LEIS • PARIS • FRANKFURT • STOCKHOLM • MILAN • MADRID • NEW YORK • LOS ANGELES • TOKYO • HONG KONG

News Business

IMF warns Indonesia

The International Monetary Fund warned Indonesia that implementing a rigid currency regime now could further undermine confidence in its battered economy. IMF managing director Michel Camdessus said Jakarta should make economic reforms before establishing a currency board to fix the value of the rupiah, which shed nearly 22 per cent against the US dollar yesterday before recovering to Rp8,000. Page 24

DMG loans investment bankers to Merrill
Deutsche Morgan Grenfell's joint heads of investment banking in France are moving to Merrill Lynch, Francois Cheneard and Marc Paudouval will take the same roles for the US investment bank - a sign of fall-out from Deutsche Bank's restructuring plan. Page 23

BT poised to tear up Spanish deal
British Telecommunications plans to tell Telefonica that it intends to compete head-on in Spain with the country's dominant telephone operator. The move unilaterally ends plans for Telefonica and BT to co-operate in Concert, the UK company's global supercarrier. Page 23

European stocks make modest gains
The FTSE Eurotop 300 share index finished the week on a firm note, 4.6 points higher at 1,079.7. Most of the main European stock exchanges had a positive day, with gains in Zurich, Frankfurt, Paris, Madrid and Amsterdam, where Philips and its entertainment offshoot PolyGram enjoyed a strong session. Milan stocks eased as Italian banks traded lower. Page 21; International Investor, Page 22

Demutualisation trend goes global
Life insurer Prudential Insurance of the US unveiled plans to abandon its mutual status on Thursday, and become a quoted public company. Last year a UK demutualisation boom showered £36bn (\$58.4bn) of windfalls on one in three adults. Now the trend has gone global, with demutualisation proposals emerging in Australia, South Africa, Canada and Ireland. Page 7

FT.coms the FT web site provides updated news and an online archive of back articles at <http://www.ft.com>

Contents

| | | | | | |
|--------------------|-----|---------------------|-------|-------------------|-------|
| International News | 2-4 | Companies & Finance | 22-23 | Managed funds | 10-16 |
| UK News | 5 | Markets | 16-17 | Money markets | 9 |
| Weather | 24 | FTSE Asia | 17 | One trading date | 11 |
| Lat | 24 | FTSE 4-Week Index | 17 | Recent issues | 17 |
| Lead | 24 | Foreign exchange | 23 | Share information | 18-19 |
| Features | 6 | Gold markets | 25 | World commodities | 8 |
| Leaders Page | 8 | Equity options | 17 | Wall Street | 20-21 |
| Letters | 6 | London 88 | 17 | Business | 20-21 |
| Men in the News | 7 | US savings | 21 | | |

© THE FINANCIAL TIMES LIMITED 1998 No 33,524 LONDON • LEIS • PARIS • FRANKFURT • STOCKHOLM • MILAN • MADRID • NEW YORK • LOS ANGELES • TOKYO • HONG KONG

GUINNESS FLIGHT
BOND FUNDS
Why Bonds? Why Now?

In our view the current economic environment is supportive of investment in bonds. This view is based on our belief that:

- Inflation is going to be lower in 1998/99 than earlier consensus forecasts. Lower inflation usually leads to lower bond yields and consequently higher bond prices.
- Government borrowing is still declining. Less supply will help to support higher bond prices.
- Demand for high grade bonds is on the increase from equity investors looking to diversify their holdings and Asian investors seeking a safe haven in the main bond markets.
- G7 Central Bankers will be more likely to cut rates in 1998 than raise them. In order to maintain growth, if growth in the West were to slip, then the Asian crisis could turn into a global depression. The onus is on them to maintain world growth.

To find out more on why we believe the time is right to invest in bonds, call now or complete and return the coupon below.

For US Dollar investors, we would highlight the Guinness Flight US Dollar Bond Fund, which offers exposure to high quality US Dollar denominated bonds. The Fund has an excellent and consistent track record.

Guinness Flight US Dollar Bond Fund since launch performance (1.2.95-2.2.98)

Call +44 (0) 1481 712176

Guinness Flight Fund Managers (Guinness) Limited, Guinness Flight House, PO Box 169, Guinness Quay, Dublin 1, Ireland. Tel: +44 (0) 1481 712176. Fax: +44 (0) 1481 712201. Internet: www.guinness-flight.com

Please read our prospectus for details of the Guinness Flight US Dollar Bond Fund.

Name: _____ Surname: _____

Address: _____

Country: _____

The Fund is authorised and regulated by the Financial Services Authority. Past performance is not necessarily a guide to the future. The value of the investment and the income arising therefrom may fall as well as rise and is not guaranteed. The Fund may hold more than 25% of its property in overseas securities and other assets. Please read the prospectus for details of the Fund's investment objectives. For your protection, important information may be included in the prospectus. Please read the prospectus carefully before investing.

NEWS: INTERNATIONAL

Kohl asks Bundesbank for Emu view

By Andrew Fisher in Frankfurt

Helmut Kohl, the German chancellor, has asked the Bundesbank to produce a report on countries' progress towards economic convergence ahead of European monetary union. Mr Kohl's commitment to Emu is one of the main driving forces behind the launch of the euro, the planned European single currency.

He requested, in a letter to Hans Tietmeyer, Bundesbank president, that the

report be ready for a special cabinet meeting on March 27. It would therefore be considered with the reports to be presented by the European Commission and the European Monetary Institute (Emi) - forerunner of the planned European central bank - two days previously.

Mr Tietmeyer has been invited to the cabinet meeting. Although the finance ministry earlier indicated the Bundesbank would be asked for a special report, its timing was unclear.

The fact that it will be

presented before the European Union's decision on Emu membership in May means the central bank's strict views on the need for member countries to meet and stick to the criteria in the Maastricht treaty will have to be considered by the Bonn government.

But economists said the Bundesbank was likely to be circumspect in assessing countries' progress towards meeting the budget, debt and other criteria. Its report would probably not make specific recommendations

but would indicate its main concerns. The Bundesbank's report, which will be passed to parliament with the government's own opinion and the Emi and Commission studies, could thus assume more importance in the German debate over Emu than those of the Emi or the Commission, they said.

While the Bundesbank officially supports Emu, some of its leading members are sceptical about whether potential members, including Germany, are prepared well enough economically

for the single currency. A majority of public opinion is against Emu and leading economists have called for postponement.

Bundesbank directors, including Mr Tietmeyer, have also expressed concern about the political wrangling over the first president of the European central bank. Germany supports Wim Duisenberg, head of the Emi, while France is holding out for Jean-Claude Trichet, governor of the Bank of France.

Germany's economic recovery slowed down at the

end of 1997, with gross domestic product growing only slightly in the fourth quarter after sharp rates of increase in the previous two quarters, the economics ministry said.

Manufacturing output grew more slowly in the final quarter and the order inflow fell slightly. New foreign orders, up steeply in the first nine months, eased in the fourth quarter.

In the third quarter, GDP rose 2.4 per cent over the previous year.

NEWS DIGEST

Spain trims interest rate

The Bank of Spain responded to better than expected inflation figures by trimming a further 0.25 percentage points off its benchmark interest rate yesterday, to 4.5 per cent. The move is due to be followed by further cuts, with the central bank expecting the rate to move to about 4 per cent by the end of the year to bring it into line with the future uniform rate of the European single currency zone, scheduled for the beginning of next year.

The change, at the bank's regular securities' repurchase auction, was the 14th successive cut in the benchmark rate, which has been halved in just over two years. The rate was last cut in December, bringing it into previously uncharted territory below 5 per cent. Yesterday's decision followed figures showing inflation holding steady at a 12-month rate of 2 per cent in January despite expectations of a slight resurgence. *David White, Madrid*

INTERNATIONAL PATENTS

Surge in applications

The number of international patent applications surged by 15 per cent to 54,422 last year, equivalent to nearly 3.5 million national applications, according to the World Intellectual Property Organisation, which administers the system. The US was by far the biggest user of the patent co-operation treaty, filing 22,736 applications or 42 per cent of the 1997 total. Germany came next with 7,436 applications (14 per cent), followed by Japan (9 per cent), the UK (7 per cent) and France (5 per cent).

The procedure allows applicants to seek patent registration in any or all of the 94 countries that are members of the treaty, without having to translate their applications or pay national fees until they decide to go ahead with country registration procedures. In 1997 each application covered on average 54 countries, though applicants normally apply in the end for a smaller number of individual registrations. Many apply for regional patents covering a number of countries, the most sought-after - by over 90 per cent of applicants - being a European patent valid for all 15 EU member states. *Frances Williams, Geneva*

WORLD TRADE

EU loses hormones case

World Trade Organisation members yesterday formally endorsed WTO panel and appeals body rulings against the European Union's ban on hormone-treated beef which was found not to be based on scientific evidence.

The EU has until the next meeting of the WTO's dispute settlement body on March 13 to explain how it plans to implement the rulings but EU officials have already said they intend to carry out another scientific risk study to support keeping the ban. The US and Canada, which brought the WTO challenge, said yesterday the ban should be lifted immediately.

Washington also rejected India's claim yesterday that it needed until at least mid-June 1999 to implement panel and appeal body rulings upholding a US complaint against India's patent regime. The rulings said India had failed to institute a satisfactory "mailbox" system for pharmaceutical and agricultural patent applications, pending the introduction of full patent protection in 2005, and to grant exclusive marketing rights as required by WTO rules. The two sides have until March 2 to agree a time period for implementation, failing which the WTO will appoint an arbitrator. *Frances Williams, Geneva*

SERB WAR CRIMES

Belgrade refuses to co-operate



Belgrade's argument that the Yugoslav constitution did not allow extradition and urged the government to amend its legislation. She also told the Yugoslav authorities to invite the three indicted officers to surrender themselves voluntarily. The three men are charged with involvement in the mass execution of Croats seized in a hospital in Vukovar in eastern Croatia in November 1991.

Mrs Arbour said two other Serbs, Dragomir Saponja and Slobodan Milokovic, charged with committing war crimes in Bosnia, were also believed to be in Yugoslavia. *Guy Dimroch, Belgrade*

SOUTH KOREAN LABOUR REFORMS

Union calls off general strike

A threatened general strike in South Korea to protest against a proposed labour reform law was cancelled yesterday because of lack of public support for worker militancy at a time of economic crisis.

The dissident Korean Confederation of Trade Unions (KCTU), which represents 550,000 workers in heavy industry, said it did not want to endanger the nation's fragile economic recovery. The KCTU had earlier called the strike to oppose a labour agreement it initially endorsed in the case of mergers and acquisitions and let employers hire temporary workers. The deal ended a tradition of lifetime employment guarantees. The union group said it would push for a renegotiation of the agreement, but the government said it would not hold further talks on the issue. The introduction of labour market flexibility is considered crucial to attract foreign investment to Korea and promote industrial restructuring. *John Burton, Seoul*

RUSSIAN SECURITIES

Oil company bonds suspended

Russia's Federal Securities Commission has ordered the Sibirneft oil company to suspend its controversial convertible bond issue, which minority shareholders alleged would have massively diluted their interests. The row over the bond issue is one of several clashes over corporate governance which have tarnished the Russian stock market. The commission, responsible for regulating Russia's capital markets, said it had decided to suspend the bond issue because of "doubtful information" in the registration documents. The commission launched an investigation into the issue last week after receiving complaints from minority shareholders, who own 4 per cent of Sibirneft's equity.

Earlier, Boris Jordan, head of MFK-Renaissance, investment banking affiliate of Otkritiye bank which controls Sibirneft, said the bond issue was perfectly legal under Russian law and did not disadvantage minority investors. But Bill Browder, founder of Hermitage Capital Management, the biggest minority shareholder, said: "Either they have to offer us the bond issue at the same price as insiders paid for it or they have to buy out our shares out at the market price." *John Thornhill, Moscow*

Close race in Cyprus election

By Andreas Hadjipapas in Nicosia

The Cypriot presidential election goes into its final round tomorrow, with the outcome wide open in the run-off between Glafkos Clerides, seeking a second term, and his challenger, George Iacovou.

Pledges of support from four of the five minor candidates, who were eliminated in the first round last week, had created "momentum" in President Clerides' favour, his campaign spokesman said. Among those endorsing Mr Clerides are George Vassiliou, a former president, Alexis Galanos, a former parliament speaker and Nicos Rolandis, a former foreign minister.

But the rank and file of these smaller parties, which polled a total of 8 per cent in the February 8 first round, would not follow their leaders, the Iacovou camp countered.

Far more attention has focused on the socialist Edeok party, whose candidate, Vassilis Lyssarides, finished third last Sunday with an impressive 10.6 per cent of the vote. This had appeared to make Edeok the main power broker in the run-off. Mr Lyssarides set out demands for national consensus among Greek Cypriots in their dispute with Turkish Cypriots in the north of the island and for higher social spending - conditions that Mr Clerides and Mr Iacovou rushed to endorse.

This put Edeok in a quandary and early yesterday Edeok's central committee announced it could not agree on any endorsement and informed its members to follow their conscience.

In an astute move, President Clerides announced that, if re-elected, he would ask Mr Vassiliou to head the Cyprus negotiating team at the forthcoming accession talks with the European Union. Mr Vassiliou, a millionaire economist, urged that the Cyprus economy be streamlined in preparation for EU membership.

Mr Vassiliou also said he was impressed by President Clerides' commitment to pursue United Nations sponsored talks with the Turkish Cypriots for a Cyprus settlement. "We must not waste time," he added.

Communist Akei, which controls about one third of the electorate and is the main backer of Mr Iacovou, strongly criticised Mr Vassiliou and called on members of his party, the United Democrats, to defy his decision to back Mr Clerides. "Akei people are particularly indignant," a spokesman said, because they were the ones who had got Mr Vassiliou elected in 1988.

FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone +49 69 2524. Fax +49 69 2524 523. Printed in Frankfurt by J. Walter Brand, Wilhelm J. Brand, Colin A. Kennedy as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. The shareholder of the Financial Times (Europe) GmbH is Pearson Overseas Holdings Limited, 1 Burlington Gardens, London, W1X 1LE. Shareholder of this company is Pearson plc, registered at the same address.

GERMANY:
Responsible for Advertising content: Colin A. Kennedy, Printer: Hürstert International Verlagsgesellschaft mbH, Adminal-Rosenfeld-Strasse 3, 63525 Neu Isenburg ISSN 0174-7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

FRANCE:
Publishing Director: P. Maravaglia, 42 Rue La Boétie, 75008 PARIS. Telephone 011 579 8254. Fax 011 579 8253. Printer: S.A. Nord Eclair, 1521 Rue de Caen, F-93100 Romainville. Editor: Richard Lambert, ISSN 1146-2753. Commission Paritaire No 570802.

SWEDEN:
Responsible Publisher: Hugh Camps 466 618 6088. Printer: AB Kvalitetstryckningen Expressen, PO Box 6007, S-550 16, Jönköping.

© The Financial Times Limited 1998. Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

Military chief charged with murder that shocked Russia

Colonel accused three years after bomb killed reporter investigating army corruption

By John Thornhill in Moscow

Dmitry Khodolov, a daring, 27-year-old investigative reporter, thought he was on to something big when he hurriedly returned to his office on October 17, 1994 and opened a briefcase he had just recovered from the luggage room at Kazan station.

A contact had told him the briefcase contained important documents relating to his investigations into corruption in the Russian army.

Instead, it contained a bomb. The explosion ripped through the offices of the Moskovsky Komsomolets newspaper, killing Mr Khodolov and sparking mass outrage at the criminalisation of Russian life. Thousands of mourners turned out three

days later to pay their respects to Mr Khodolov and protest at his "political murder". Mr Khodolov was due to testify to Russia's parliament a few days later to report on his investigations.

For a tantalising moment, it seemed as if the wave of public disgust might force Russian politicians into waging war on the "mafia" - just as their Italian counterparts had been compelled to respond to the assassination of prominent anti-mafia magistrates a few years before.

But the moment passed, further murders followed, and the criminal investigation appeared to get lost in cold leads and red tape. "Of course his murderer will never be found," said Pavel Grachev, the then defence minister, who had been one

of the principal targets of Moskovsky Komsomolets' investigations. However, more than three years later, Yuri Skuratov, Russia's dogged prosecutor general, believes he has finally nailed his man and has just charged Pavel Popovskikh, a former senior military officer, with Mr Khodolov's murder.

If convicted, Mr Popovskikh's arrest would appear to confirm Mr Khodolov's contention that criminal elements reached into the very heart of the defence establishment. The 51-year-old colonel formerly headed the intelligence division of Russia's elite paratroop units. Local newspapers are reporting that further arrests may follow within days.

The arrest appears to be a rare and welcome victory for Russia's law enforcement authorities. Even Pavel Gusev, the editor of the newspaper where Mr Khodolov worked, who has previously been highly critical of the criminal investigation, has praised Mr Skuratov's efforts.

ling for young people and guaranteed standards of workmanship. The system was Germany's alternative to US product liability rules.

Moreover, the arrangements approved yesterday would not extend the scope of existing rules, the confederation insisted. The professions of "office information electrician" and "radio and television technicians" were being combined to form the new category. Entrepreneurship could flourish under the system, "if obstacles such as high taxes, charges and bureaucratic regulations were dismantled".

The Bonn economics ministry - where officials suspect the real aim of many in the industry is to see the apprenticeship system dismantled - also insisted that the revised legislation would not lead to a widening of its scope. Software businesses are excluded, for instance, helping any budding Bill Gates. The battle now will be over the definition of professional "information technician". That could be hard when upgrading systems is easy and malfunctioning equipment is often simply replaced with new. There is good chance the issue will have to be resolved in court.

Greek farmers block roads in subsidy dispute

By Kevin Hope in Athens

Militant farmers yesterday blocked Greece's main north-south highway with tractors in protest against the Socialist government's refusal to make concessions in a long-running dispute over agricultural subsidies.

Farmers' associations in Thessaly, the cotton-growing region in northern Greece which has become the centre of the protests, threatened to keep up the blockade for the next four weeks. In Thessaly, tobacco growers besieged local government offices, warning they would block border crossings with Turkey and Bulgaria.

The protests add to the problems of Costas Simitis, the prime minister, who already has to contend with strikes by transport unions and a work-to-rule at Olympic Airways, the state carrier, over a controversial law restricting union rights.

Trucks and local traffic yesterday were diverted along farm roads for several kilometres to avoid the blockade. More than 2,000 tractors have lined the high-

way for the past week while farmers discussed their demands with party and government officials.

A similar six-week blockade by farmers in 1996 caused a sharp decline in manufacturing output and exports. Most Greek industrial capacity is close to the Athens-Thessaloniki highway and raw materials and exports are carried by road.

Greek farmers have suffered a steady decline in incomes because of lower EU support prices for cotton and tobacco. An exceptional harvest has driven down prices for olive oil by 40 per cent.

Floods in north-east Greece have caused more than \$14m damage to crops and irrigation networks.

Stefanos Thomazakis, agriculture minister, said the government would consider lowering taxes on fuel for agricultural use, but ruled out subsidies for farmers.

The Socialists recently wrote off Dr200bn of farmers' debts to Agricultural Bank of Greece but the bank no longer subsidises fertiliser and other inputs.

German medieval rules enter the computer age

By Ralph Atkins in Bonn

In 12th century Germany, Meister craftsmen sang a little and formed powerful trade guilds which still regulate much of the economy. Yesterday - to the alarm of the computer and information industry - they entered the cyberage as continuing to call the tune.

A new category of "information technician" was included by parliamentarians in a revised list of 94 professions - from bell-founder to car technician - which fall under strict rules governing the training of Germany's craftsmen. School drop-outs wanting to start a computer hardware repair or servicing business will normally require three years apprenticeship plus a further three years' on-the-job experience.

Only those with "master-craftsman status" will be able to set up their own company or take over a business.

"The German mentality is always to regulate everything," said Werner Senger, managing director of the federal information and communication systems association. "You can say with complete justification that Bill Gates' career would

have collapsed under the German *Handwerksordnung* (craftwork rules).

The association fears the legislation, which is expected to come into effect from April, will send damaging signals about Germany's embrace of information technology. It may also run counter to the government's attempts at encouraging information technology, particularly use of the internet, where Germany is widely regarded as lagging behind other countries.

President Roman Herzog spoke this week in his native Bavaria in praise of updating traditions in a "symbiosis of *Lederhose* and laptop". Adapting an apprenticeship system dating from the middle ages, however, runs the risk of stifling a fast moving industry. Information technology companies are very mobile. They can easily go to Luxembourg or the Netherlands," said Mr Senger. It could also encourage Germany's already vibrant unofficial labour market.

But the German confederation of skilled crafts - the umbrella organisation for professional guilds - yesterday launched a stiff defence of the craftsmen's system. It provided important train-

Red rose ousts the hammer and sickle as symbol of former communist party

New-style left comes into flower in Italy

By James Blitt in Florence

Italy's former communists yesterday took an historic step on their long march towards the centre ground of politics when they removed the hammer and sickle from their party's flag.

After nearly half a century in which the logo symbolised the fear of the Pentagon's generals that Italy might one day fall under Soviet domination, the once proud symbol of the Italian Communist party - the PCI - has been buried by the banks of the river Arno.

At a convention in Florence that seeks to change the shape of Italian politics, the Party of the Democratic Left (PDS) - the main heirs of the now defunct PCI - has finally, if a little belatedly, conceded that the old symbol of Soviet communism has lost its relevance in the



Massimo D'Alema: reminder of monumental past

modern world.

It has called the convention - called the Estates General of the Left - to link up with a motley group of small parties and create a new movement. The new group - called Democrats of the Left - has chosen a flag

dominated by the red rose of the European socialist movement, and the "oak" - symbol of the Olive Tree coalition that has been in power now for nearly two years and of which this centre-left alliance is the main constituent.

The merger is the second transformation of the once mighty Italian communist movement in seven years. In 1991, following the collapse of Soviet communism, the PCI was dissolved, giving birth to the moderate PDS and the small and irascible group of Reconstructed Communists who are the bane of the current government.

Indeed, for aficionados of Italian politics, this gathering of some 2,000 delegates is even more historic than that. It marks the first time that the former communists have joined forces with other leftwing groups in Italy

since a split in Livorno in 1921 - an event that ended with pistols drawn.

Seventy years on, the coming together is a more sober affair. The big red hammers are gone. The playing of revolutionary anthems has been replaced by Sting and Peter Gabriel. Only Thursday night's keynote speech by the PDS leader, Massimo D'Alema - one hour and 45 minutes with barely a sprinkle of wry humour - was a reminder of his party's monumental past.

But this is Italy. And it therefore comes as no surprise that - behind the scenes - the birth of this new political force is accompanied by screams of pain from some of its parents.

Walter Veltroni, deputy prime minister and a leading PDS figure, thinks his party should really be allying with

the Christian Democrats in the government coalition to create a US-style Democratic party.

Achille Occhetto, the man who broke up the PCI in 1991, is also angry. He thinks too much is being made of Mr D'Alema's merger with leftwing parties - an event, he said, that amounts to "kicking up a few crumbs".

Finally there are Italy's former socialists, who held power in the 1980s before collapsing in an avalanche of corruption allegations. Some of them are taking part in the merger, but the better known names are staying out, saying the former communists have not yet atoned for their past allegiance to Moscow.

As one delegate to the conference said: "We may have got rid of the hammer and sickle this week. But the spirit of Livorno lives on."

الحزب الشيوعي

Clinton dismisses Russian 'Nyet' on Iraq US shies away from accord on investment



Clinton: 'Nyet' is not No for the United States under these circumstances

By Bruce Clark
in Washington and
Laura Silber in New York

President Bill Clinton yesterday brushed aside Russian objections to a possible military strike against Iraq. "Nyet [the Russian word for No] is not No for the United States under these circumstances," the president said, after insisting that he had "bent over backwards for months" to achieve a diplomatic solution, and one was still possible if the Iraqi side gave way.

"If there is military action... it will be [Iraqi President] Saddam Hussein's decision, not mine," he told reporters at the Oval Office,

adding that he "hoped and prayed" the Iraqi leader would allow full-scale United Nations weapons inspections. General Henry Shelton, the commander of the Joint Chiefs of Staff, said the Pentagon had prepared a "synchroplan" of attack using a mixture of laser-guided bombs and air and sea launched cruise missiles. "We will lose some people, and that weighs heavily," said the general, who said Iraqi air defences were a source of concern. But the Clinton administration faced pressure both at home and abroad to spell out its goals in Iraq and say how it would proceed after any bombing campaign.

Congress yesterday began a 10-day recess after failing, during two weeks of negotiation, to agree to the wording of a resolution laying out US aims in its campaign against Baghdad. This reflects the belief of many legislators that the US should commit itself to overthrowing Mr Saddam. Both supporters and opponents of military action against Iraq have warned that the resumption of the UN arms inspection regime - which is one of the stated purposes of the proposed attack - would be impossible in the aftermath of a bombing campaign. "We have to push for a solution by diplomatic means, and if that fails, we

agree to a strike," said a senior German official. "But what happens the day after?" The official said there was little prospect of an early success by the Iraqi opposition movement, although many US politicians believe western policy should focus on boosting Mr Saddam's domestic adversaries. "The idea is that bombs on Baghdad will coerce Saddam to comply with UN resolutions," said another western diplomat. "Otherwise sanctions will remain in place and there would be no prospect of sanctions being lifted until he complies," he added. But other diplomats said military strikes could scupper the sanctions regime, in

force since Iraq invaded Kuwait in August 1990. They said countries such as Russia were unlikely to continue to enforce the sanctions in the event of unilateral military action, which Moscow says would not be authorised by the Security Council. The diplomats speculated that other states would quickly follow suit, leaving the US and Britain, of the five permanent Council representatives, isolated in their demands to keep the sanctions in place. "If sanctions were no longer observed, then Saddam would win," reasoned one diplomat. "He would be rid of UN weapons inspectors and break free of the crippling embargo as well."

US shies away from accord on investment

By Nancy Dunne
in Washington

The US will not endorse a draft multilateral investment agreement it proposed itself more than two years ago because it is "unbalanced" and prejudicial to US interests, the US Trade Representative said yesterday. Charlene Barshefsky said at a news conference that the deal being negotiated by the 28 members of the Organisation for Economic Co-operation and Development would require "very substantial work to make it something the US will sign". High-level officials are to meet next week in Paris to determine the future of the MAI, which will lay down binding rules for policies on direct investment. The proposed pact has generated opposition worldwide among environmentalists, labour unions and other citizen groups, who say it threatens national sovereignty.

If the US does not endorse the agreement by its April 28 deadline, other countries may continue the negotiations - with or without the Americans. The US refused to sign a multilateral financial services pact - although a partial deal was reached under EU sponsorship - until a much stronger deal was agreed last year.

The opposition in the US - mostly heard among Democrats - is particularly damaging at a time when President Bill Clinton has presented an agenda designed to attract support from his party. Democratic foes helped sink his bid for new "fast-track" trade negotiating authority last year, and the White House has hoped to unite Democrats going into the 1998 congressional elections. The MAI talks have proved much more contentious than was expected when the effort was launched in 1995. Member

countries are seeking broad exemptions from the accord, which in the US view, would defeat its original purpose.

The US has been particularly upset that France and Canada have clung to their cultural exemptions for media services, and it has opposed the EU push for exemptions for countries within its regional economic integration organisation.

Meanwhile, US industry groups which pushed for the pact originally have grown disillusioned. "It's a disappointment that we've gotten to this stage," said Nancy McLernon, deputy director of the Organisation for International Investment. "At the beginning we had really high hopes. This was supposed to be a state-of-the-art agreement among industrialised countries that were like-minded. But there has been a lot of concern that it was going down the wrong path. If you have a great agreement but carve out half the stuff in it, the agreement isn't worth much any more."

US agencies have been split over the pact. The State Department reportedly has wanted to continue negotiations. The trade office, however, has warned that it did not contain enough to attract the support needed for the deal to win Senate approval as a treaty.

US trading partners have also been disappointed. It was hoped the deal would bring a commitment by the US to end imposition of sanctions. Such a provision would never win approval in a Congress which regards trade retaliation as an important foreign policy tool.

Negotiators had reportedly reached accord on environmental and labour clauses, which would require countries not to lower standards in order to attract investment. This would do little to satisfy the pact's opponents.

Sailing enthusiasts are up in arms over plans for a steep charge for going through the canal

Panama fees take wind from yachts' sails

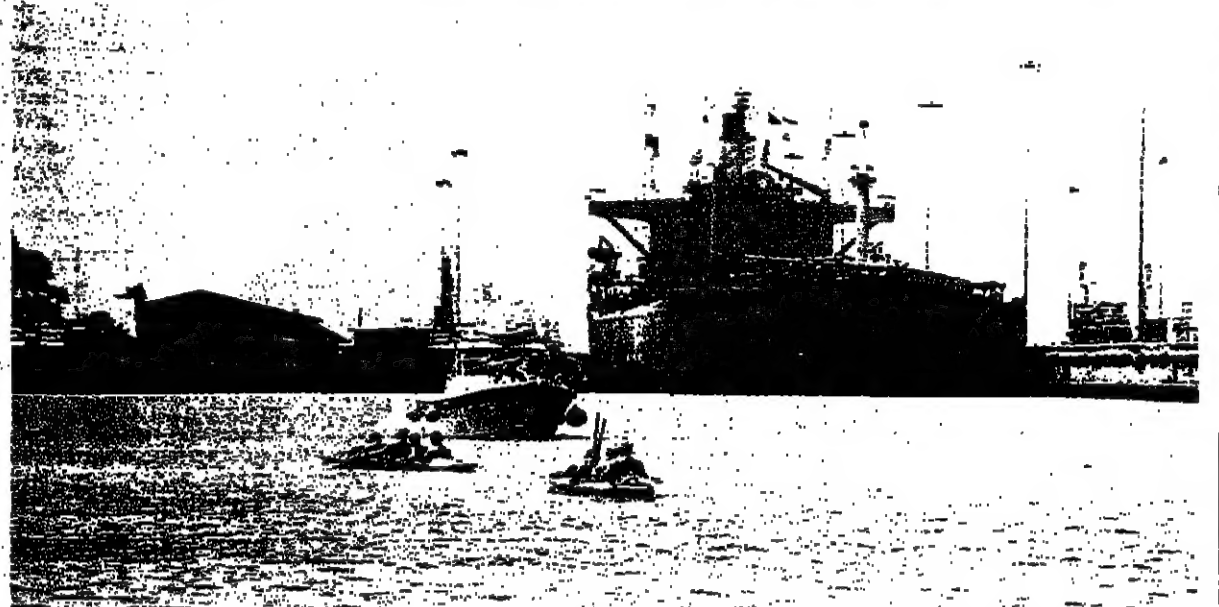
By James Wilson
in Panama City

With nothing to lose but their moorings, yachting enthusiasts yesterday protested to Panama Canal authorities over a steep increase in canal tolls that they fear could drive their vessels out of the water.

Boat owners have been taken aback by the plan by the Panama Canal Commission (PCC) to charge a minimum \$1,500 transit fee for small vessels, to replace a previous toll structure based on tonnage. The change - which represents an average sixfold increase in fees - is due to be implemented on May 1. The commission, a US government agency, said the new fees will be more in line with the actual cost of providing such passages and hopes to free up canal capacity for commercial users by reducing the demand for

transits by small boats. Yacht owners say they will be driven away from the canal. Britain's Royal Cruising Club - which numbers yachting luminaries such as Robin Knox-Johnston and Clara Francis among its members - said many sailors might head for Cape Horn rather than make the quick transit of the isthmus. "Not all yachtsmen are stinking rich," said one member.

"Most are average souls for whom the planned new charges will be a considerable burden. There really will be some who may decide to go around the bottom end to save money." Panama's yacht clubs are worried that an increase in tolls would threaten their own existence. Users of the Pedro Miguel boat club - which is on the banks of the canal, above the first set of Pacific locks - say they would have to pay the mini-



A freighter in the Panama Canal dwarfs a pleasure craft. Plans for a minimum \$1,500 fee have upset yacht owners

mum toll each time they sail to the club and back. The yachting fraternity is being backed by the Panama Institute of Tourism, reflecting fears the PCC's proposals will damage attempts to attract more visitors. Cesar Tribaldos, the institute's general manager, yesterday joined boat users to speak against the plans at a public hearing held by the banks of the canal. "The message we would be

sending abroad to potential investors is that Panama is not interested in developing tourism," said Mr Tribaldos. "The canal should unite our coasts, not separate them." Businesses and workers supplying the yachting industry also protested. The planned toll changes illustrate efforts by the PCC to maximise revenues as the 83-year-old canal heads towards its capacity, expected in around 15 years. Small

vessels make 1,700 canal transits a year, 11 per cent of the total, but bring in only 0.1 per cent of tolls, based on 1996 figures. Yachts and fishing boats often go through the canal locks with bigger commercial ships, which the commission says causes delays averaging 27 minutes. "These delays and increased lockage times represent lost capacity at a time when traffic is testing the

canal's capacity and ongoing modernisation projects require a more efficient use of the canal's resources," said the PCC. The changes are expected to raise revenues by 1 per cent or \$2m. Yacht clubs' preferred alternatives include better scheduling and grouping boats in locks. "If there is any way we can improve our processes we are totally committed to do that," said a canal spokesman.

W African force tightens grip in Sierra Leone

By Michaela Wrong
and Agencies

A Nigerian-led intervention force was yesterday tightening its hold on Sierra Leone's shell-shattered capital after a week-long assault on Freetown routed the military junta that seized power from the country's democratically elected government last May. As fighters of the Armed Forces Ruling Council (AFRC) surrendered or removed their uniforms in an attempt to blend into the civilian population, members of the ousted elite were captured in neighbouring Liberia, where they fled in two helicopters.

General Timothy Shaipeh, commander of the West African Economic force, said the junta leader, Johnny Paul Koroma, was not among a group of AFRC members who tried to touch down at an airstrip on the outskirts of Monrovia. The helicopters, crewed by Russian and Ukrainian pilots, were forced by a Nigerian jet to land instead inside the Liberian capital,

where Ecomog troops were waiting. The whereabouts of Mr Koroma were unknown.

His unwillingness to implement a peace deal arranged by the Nigerians in October - which ended the reinstatement of the civilian president, Ahmad Tejan Kabbah - triggered the attack by the 18-nation Ecomog force, whose commanders last week ran out of patience.

Sporadic shooting was yesterday still echoing across the damaged port city, as Ecomog pursued remaining junta members. Residents angered by the brutality inflicted in the regime's dying moments were also taking the law into their own hands, with the charred bodies of junta fighters lying smouldering in the streets. As calm was restored in Freetown, inhabitants started counting the cost of the operation. Local residents have put the death toll of the last few days in the hundreds and scores of bodies were yesterday piling up in the main morgue of littering the streets.

Australia's constitutional convention votes to turn its back on the monarchy

Temper rose, insults were hurled and more than \$50m (US\$34m) of Australian federal government money was spent on the exercise, which took place in the faded splendour of Canberra's former parliament house.

But nearly everyone at the emotional close of Australia's constitutional convention agreed it was a "defining moment" in the country's history.

The 152 delegates, half elected and half appointed, aged 18 to 84, voted yesterday to cut ties with the British monarchy and become a republic with a president elected by parliament.

John Howard, the prime minister, told the convention his government would honour its promise to put the results to a national referendum next year. National polls have consistently shown overwhelming support for a republic.

For convention delegates, it was a hard-won consensus that had threatened to collapse just one day earlier amid fierce in-fighting. The stormy debates produced some unusual bedmates, thrusting radical republicans calling for a popularly elected president

together with staunch monarchists campaigning for the status quo. The language was colourful and often harsh throughout the two-week convention.



John Howard, prime minister, promised to hold a referendum next year

"Dead and festering on the soil of Australia", by Greg Craven, a constitutional lawyer.

One devout monarchist delegate labelled Malcolm Turnbull, head of the mainstream Australian Republican Movement, a mafia "Godfather" who was "destroying the best system on earth".

The final vote, though bitterly opposed by over a third of delegates, drew tears, cheers and hugs among all those on the floor, including cabinet ministers, archbishops, students, academics and business executives.

But one of the most sobering remarks after the final vote came from Gareth Evans, deputy leader of the opposition Labor party and a former foreign minister: "We are really only halfway there... The real journey is yet to come," he said.

Mr Evans led the convention's powerful resolutions committee, which played a central role in brokering a last-minute compromise between republican factions. He, like many political analysts, warned that the lead-up to next year's referendum would be marked by much factional fighting between republican groups.

With monarchists in the minority, the main battleground has shifted from the question of whether to preserve the existing system - under which Britain's monarch is Australia's head of state - to what form a proposed new republic should take. The battle lines have also

changed, from monarchists versus republicans to republicans against each other.

The model proposed by Mr Turnbull's group and endorsed by the convention, after some modifications, calls for a president to be chosen by a two-thirds vote

The British monarchy was described at one point during the two-week convention as 'dead and festering on the soil of Australia'

of both houses of parliament. But a strong and highly vocal republican lobby has vowed to continue campaigning for a president to be elected by the people. A smaller but still significant group has said it will continue pushing for the model proposed by a former state governor, Sir Richard McGarvie, which

calls for a council of eminent persons to choose the president.

Further complications stem from the declared monarchist sympathies of Mr Howard, who voted for the monarchy. Under Australia's current system, the prime minister exercises considerable powers and could greatly influence the outcome of a referendum, analysts said.

To add to uncertainty, a federal election is due before May next year and could possibly take place as early as July or August, a factor that could turn the republican issue into a "political football," analysts warned.

However, one point on which all convention delegates readily agreed was the success of the convention itself.

A government official described the convention as a "winning \$51m public relations exercise".

The meeting had served its dual role of clarifying the questions to be put to the public and, at the same time, raising awareness of the issues involved, the official said.

Gwen Robinson

UN acts on rural funding

By John Madeley in Rome

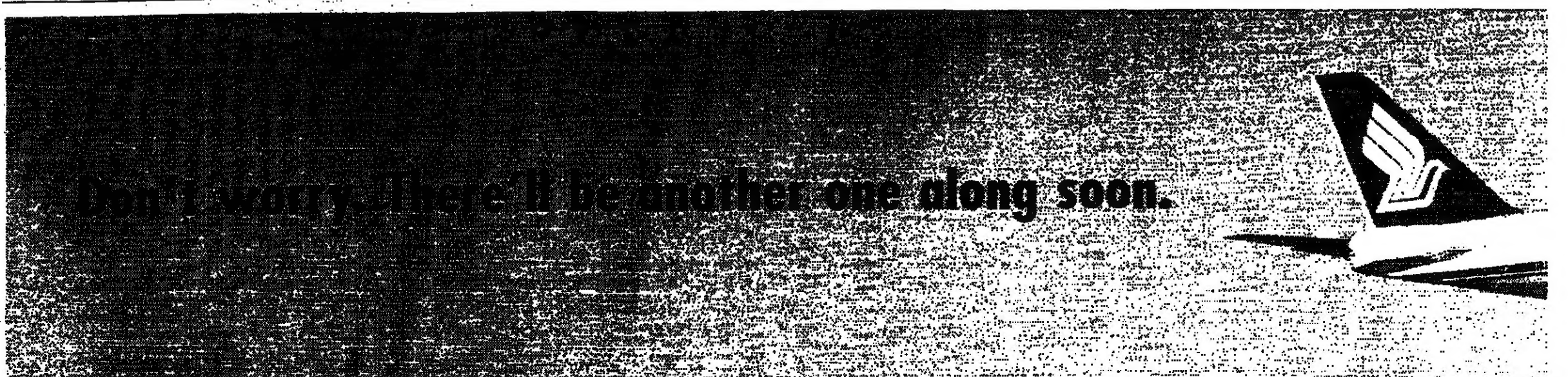
Investments in the social sectors of rural areas in heavily indebted developing countries will receive greater protection under a new trust fund launched this week at a meeting of the United Nations International Fund for Agricultural Development (Ifad).

The new fund will complement the IMF/World Bank Heavily Indebted Poor Countries Debt Initiative.

Countries qualify for debt relief under the initiative if they meet economic criteria often involving cutbacks in public spending, which can affect living standards of people already on the poverty line, especially in rural areas.

Ifad officials are concerned that unless there is some special protection for people in rural areas, when heavily indebted countries repay their foreign debt they will not have enough money to invest in these areas.

The trust fund will mean that Ifad, which lends money at zero interest rates to governments which lend it on to small-scale farmers, has a say in this criteria.



From March 29th this year, Singapore Airlines will fly three times a day, instead of twice, direct from London to Singapore every Friday, Saturday and Sunday. In addition, we will also fly direct from

Manchester to Singapore five times a week instead of four. The result will be that Singapore Airlines makes more direct flights a week from London and Manchester to Singapore than anyone else in

the world. More flights will give you more choice as to when you fly and what connections you can then take from Singapore. For more information contact your local travel agent or call

Singapore Airlines on 0181 747 0007. Internet address <http://www.singaporeair.com>

A great way to fly SINGAPORE AIRLINES

NEWS: INTERNATIONAL

Airbus set for Latin American order

By Michael Skapinker, Aerospace Correspondent

Airbus Industrie is expected to announce an order for 100 single-aisle aircraft from Latin American airlines next month, marking a substantial breakthrough for the European consortium in a market dominated by Boeing of the US.

The orders, valued at \$4bn, are expected to come from three groups, covering about a dozen airlines. Airbus is believed to have concluded preliminary agreements

with LanChile, TACA of Central America and TAM of Brazil. Airbus refused to comment.

The order would substantially increase the consortium's market share in Latin America, where there are now only 50 Airbus aircraft in operation. Last year Airbus had another success in Boeing's heartland when it finalised an order for 124 aircraft, its largest ever, from US Airways.

The success in Latin America comes at a difficult time for Boeing. The US group is struggling to

overcome production difficulties which led to the suspension last year of its Boeing 747 and 737 assembly lines. Last month it announced a net loss for 1997 of \$178m, its first for 50 years.

The Airbus order is also an early example of small airlines clubbing together to win price discounts from large manufacturers. Three US airlines - American, Delta and Continental - have over the past year won large discounts from Boeing by agreeing to buy all their aircraft from the US manufacturer

for 30 years. The European Commission last year forced Boeing to agree it would not insist on the exclusive nature of the supply contracts, but the three airlines have said they will not buy aircraft from anyone else.

Analysts said at the time that it would be impossible for smaller carriers to extract similar price concessions from manufacturers as their orders would not be large enough. Although the Latin American airlines do not appear to have negotiated exclusive agreements

with Airbus, clubbing together appears to have given them greater leverage in obtaining lower prices. Although demand for aircraft is high, manufacturers report that prices have been dropping as Airbus and Boeing battle to win orders.

Manfred Blachoff, chief executive of Daimler-Benz Aerospace of Germany, an Airbus partner, said earlier this year that competition between the two manufacturers had forced aircraft prices down by 20 per cent over the past two years.

Rise in obesity seen as US 'emergency'

By Vanessa Houlder in Philadelphia

The huge rise in obesity in the US - where nearly one in three adults is clinically obese - should be viewed as a "national emergency", a leading public policy adviser told the American Association for the Advancement of Science in Philadelphia yesterday.

Judith Stern of the University of California-Davis called for a fivefold increase in US government spending on obesity research, which now stands at \$92m a year. Obesity, which can lead to certain types of diabetes, hypertension, cardiovascular disease and cancer, was estimated to cost the US more than \$100bn a year, she said.

Attempts to address obesity were underfunded because its stigma prevented those affected from forming an effective lobby. "They

need to co-ordinate, like Aids patients did. But it is a problem because no one wants to be associated with something that calls itself the Obesity Organisation." Despite recognition by authorities such as the World Health Organisation that obesity should be regarded as a disease, it was not treated as such by the government's medical programmes and tax regime. Obese people often encountered discrimination at work and elsewhere, she said. For example, very fat people were often required to buy two seats on an aircraft, whereas if their condition was treated as a disability they would instead be offered the use of the larger seats in the first class section.

"We have an extraordinarily long way to go," she said. "It is time that obesity got its fair share of research dollars, medical treatment and respect for the individuals who are obese."

The case for rethinking

public policy towards obesity was enhanced by the huge strides that had been made in understanding the role played by genes in the condition, said Ms Stern. About 15 genes had been identified that controlled body weight. The conventional view that people were very fat because they were self-indulgent and weak-willed was giving way to an understanding that people were susceptible to the condition because of a genetic inheritance.

Michael Schwartz, a researcher at the University of Washington and Puget Sound Veterans Affairs Health Care Systems, said that as many as half of the factors that determined body weight were thought to be inherited.

Scientists' understanding of obesity had been turned upside down by the recent discovery of a hormone called leptin that influenced food intake and energy use, he said.

"If four years ago, someone had said that a fat cell



The way it was: since members of Fat Girls Anonymous feasted on ice cream at an annual banquet in 1955, huge strides have been made in understanding the genetics of obesity

produces a chemical in the blood stream that tells the brain how much to eat, no one would have believed it. But that is what the data on leptin suggests," he said.

The discovery of leptin may explain why so many dieters promptly regain the weight lost when they stop their diet. It appears that once they have lost weight their levels of leptin drop - prompting them to eat more.

With few exceptions, people who were obese had been found to have high leptin levels. On the face of it that would suggest that their appetite should be suppressed. The reason why it

did not work this way remained to be deciphered. But he was confident of further advances. "I feel optimistic that in the next few years there will be much more effective treatments for obesity than there are now."

However, in the wake of recent controversy over the careless prescription of slimming pills, future treatment should be monitored and given only to people whose health was at risk from obesity.

More work was also needed on the interaction between genes and the environment. The rise in obesity in the US is blamed on envi-

ronmental factors, namely ready access to inexpensive food and insufficient exercise.

"The genetics may load the gun, but the environment pulls the trigger," said M.R.C. Greenwood of the University of California-Santa Cruz.

"It is a bit like cancer, diabetes and heart disease," she said. "There are things you can do that make it more likely to get those diseases but there is also a strong genetic component. It doesn't mean that biology is destiny, but there is a spectrum of individual susceptibility."

Optimism over neuropathic pain treatment

By Vanessa Houlder

Researchers are on the point of developing drugs to help people whose lives are blighted by "neuropathic" pain, the intense, long-lasting and almost untreatable pain caused by damaged nerves, the American Association for the Advancement of Science heard yesterday.

This kind of shooting pain, which affects several million US citizens, can result from surgery, injuries and diseases such as cancer, diabetes, Aids and shingles. Sufferers are highly sensitive to stimuli that are normally innocuous, such as a warm shower or a light touch. It cannot be treated using conventional pain killers as it uses a different - and poorly understood - mechanism from ordinary pain.

Gary Bennett, professor at the Allegheny University of the Health Sciences, said: "Even morphine in very high doses does not work for these patients."

But he was optimistic about the likelihood of new treatments arising from tests of new and existing drugs on laboratory rats.

A new generation of drugs

originally designed to treat epilepsy had been shown to give neuropathic pain relief. "It is not a miracle solution but at least some people can get significant pain relief for the first time with these drugs," he said. A cocktail of ingredients isolated from venomous snakes was also showing promise.

Another important clue to prevention and treatment of neuropathic pain centres on interaction between the immune system and the central nervous system. Joyce Delon, assistant professor at Dartmouth Medical School, told the association. She has found a link between neuropathic pain and cytokines, protein molecules produced by immune cells. Blocking the action of certain cytokines could lead to a new approach to inhibiting pain.

Yet another line of inquiry involves dynorphin, a substance produced in the spinal cord after an injury, which seems to cause increased sensitivity to normally innocuous stimuli. Blocking the action of dynorphin could be a promising line of treatment for neuropathic pain, according to Frank Porreca, a professor at the University of Arizona.

NEWS DIGEST

Brazil acts on environment

A new environmental crime law which will make it easier to protect natural resources in Brazil, such as the Amazon rainforest, has been signed by Fernando Henrique Cardoso, Brazil's president.

The law, which has taken seven years to make its way through Congress, imposes fines of up to R\$50m (US\$44m) or four years in prison for activities such as illegal logging and killing wild animals. Environmental groups welcomed the law as a positive step but said parts of the bill were too weak and they criticised the last-minute veto of several articles by Mr Cardoso.

The bill's approval follows the release of figures last month which showed that a record 28,000 sq km of Amazon rainforest - an area the size of Belgium - was cut down in 1995. The figure for 1996 fell sharply, but was still well above the levels of the early 1990s.

Eduardo Martins, president of Ibama, the government's environmental agency, said the law would make it much easier to punish offenders. Ibama issued a record R\$11m of fines for illegal logging last year, but was only able to collect 6 per cent of the penalties.

Mr Cardoso was also criticised for vetoing an article that would make it a crime to burn plantations in the forest, without taking precautions to stop fires spreading. After heavy lobbying by evangelical churches he also vetoed a noise pollution item in the bill. The churches, which are increasingly influential in Brazilian politics, feared the law would inhibit singing at their services.

Geoff Dyer, São Paulo

INDIAN ELECTION

Coalition scramble likely

A post-election scramble between Congress and the Bharatiya Janata party (BJP) to form India's next coalition government appears certain, with the last opinion poll before voting on Monday showing both parties requiring political allies to govern.

The India Today magazine poll suggests that campaign momentum created for Congress by Sonia Gandhi, Italian-born widow of former party leader Rajiv, has eroded the BJP's early lead. It found 5 per cent of respondents had swung back to Congress as a result of Mrs Gandhi's energetic campaign. The BJP has, meanwhile, emphasised a claim to offer India's best prospect of stable government after a period of shaky coalition politics and, in Atal Bihari Vajpayee, its veteran leader, India's most "able" prime minister.

Monday sees voting in the first 222 of India's 543 constituencies, with two more polling days on February 23 and 25 needed to cover all India's 800m voters, the world's biggest electorate. Counting begins on March 2 and results will emerge a day or two later.

Yesterday's poll suggests the formation of India's next government will hinge on just a few seats and the subsequent post-election decisions of a clutch of small parties as to whether to back the BJP, the Hindu revivalist party which emerged as India's biggest after the last elections in May 1996, or Congress, India's oldest and once predominant party. India's lucky dip, Page 6

Mark Nicholson, New Delhi

CATERPILLAR

Labour deal put to the vote

One of the longest-running and most bitter labour battles in recent US history moved a step closer to resolution yesterday when Caterpillar, the world's largest manufacturer of mining and construction equipment, reached agreement with representatives of the United Auto Workers union on a new labour pact. The deal will now be put to the 12,000 UAW members working at about 14 Caterpillar plants. The voting is to be completed by next weekend.

If rank-and-file members follow the lead of UAW negotiators, the agreement would largely end a six-year labour dispute, during which the company has faced two long and highly charged strikes. Neither, however, succeeded in curtailing Caterpillar operations, and the company went on to post record profits.

Caterpillar declined to discuss the terms of the new agreement, which was struck in the early hours of yesterday after a series of negotiating sessions held under the auspices of the Federal Mediation and Conciliation Service.

Nikki Tall, Chicago

SOUTH AFRICA

Economy weathers Asia crisis

South Africa has weathered the east Asian financial crisis but the economy is expected to grow by only 1.5-1.7 per cent in real terms in the financial year ending in March, lower than the earlier 2.2-2.5 per cent estimate, Trevor Manuel, finance minister, said yesterday.

However, both Mr Manuel and the central bank were satisfied with other economic indicators and the budget performance by the government, which has shifted resources from defence to education and health since the 1994 election. Inflation fell to 6.1 per cent in December 1997, from 9.9 per cent in April.

Revising the budget for the current financial year, Mr Manuel told parliament that the deficit would be held to 4.3 per cent of gross domestic product, slightly higher than the 4 per cent target but below last year's 5.4 per cent.

Victor Mallet, Cape Town

Donations may suffer in protest against Israeli policies

Conversion law irks US Jews

To Anna Colodny, 92, of Connecticut, the controversy in Israel over Orthodox conversion is "a lot of baloney".

When told that Orthodox Israeli rabbis wanted a law passed which would codify their monopoly over conversions of gentiles, Mrs Colodny, daughter of Jewish Russian immigrants, was outraged. "That is just plain stupid. Reform Judaism is just as valid as Orthodox," she spluttered.

Her father, Harry, was Orthodox. He prayed every morning and night, often concluding with a shot of schnapps. No one knew what he believed in beyond keeping kosher and walking to shul (the synagogue) on Saturdays.

Mrs Colodny went to a conservative temple, but her religion was really family and Israel. She worked hard raising money for charities in Israel.

Now, asked if she would still give money if the conversion law passed, she

snaps: "Don't be stupid. What's one thing got to do with the other?"

This correspondent grew up in the South surrounded by Baptists, who threatened me with hellfire. As a Jew I felt a confused kinship with Israel. During the 1967 Six Day war, hearing that Israelis had accidentally bombed an American ship, I blurted out: "How could we have bombed us?" I stopped giving money to Israel when it invaded Lebanon and started bombing Beirut. Israel was no longer "us" as far as I was concerned.

But most of the rest of American Jewry - Orthodox, Conservative and Reform - kept giving.

An estimated 85 per cent are Reform, Conservative or unaffiliated, and most are either angry or distressed as they learn about the hegemony of the ultra-religious in Israel.

Like Mrs Colodny, most will keep giving, but according to the New York Times, contributions have slowed in

protest against both the religious and peace policies of the conservative government of Benjamin Netanyahu, the prime minister.

In fact the United Jewish Appeal - the umbrella US-Israeli charity - even hired a public relations agency to carry the message that donations to the UJA were for the sick and needy, and had nothing to do with politics. Rabbi Ammiel Hirsch, executive director of the Association of Reform Zionists of America, said Israel had received the loyalty of American Jews because they were taught that it was their spiritual and physical homeland. But the proposed law was violating what they were taught as a fundamental Jewish principle - that all Jews were responsible for each other.

Although he predicts a "dramatic decline" in giving if the law passes the Israeli parliament, even a drop of \$100m a year would not have the impact it once did in a country with a \$65bn budget.

But, he warned, the level of contributions was considered a barometer of the intensity of Jewish-American opinion. "When contributions are down in an ever-expanding economy, that is a sure indication that something is rotten in the relationship."

Ultimately this could be reflected in the political support provided for Israel in Washington. Susan Aaronson, an economic historian in Falls Church, Virginia, sees irony in the debate over "who is a Jew?" She said: "With Hitler, if you had an ounce of Jewish blood you were dead. Now, if you're half Jewish on the father's side (rather than the mother's) - or you are converted by a Reform rabbi - you're not good enough to be a Jew."

She no longer contributes to the UJA, but gives to the New Israel Fund, which promotes dialogue between Jews and Palestinians.

Nancy Dunne

BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

MISSING

Don't miss out on a business opportunity that's too good to miss - Personal Numbering. We are looking for motivated entrepreneurs to join us. You will enjoy a share of the income from ongoing line rental and income from incoming call traffic. You'll also have the opportunity to build your own dealer base leading to high margins and profits. To discuss the Premier Dealer opportunity, call Jamie Lee now on 07000 707070.

Minimum investment circa £20,000.

Privately owned group, long established in building materials, is looking for INVESTMENT OPPORTUNITIES. Sealants, adhesives and coatings sectors favoured - products, acquisition, joint venture, etc.

Tel 020 731 236 4613

ASPIRING MILLIONAIRES

Call and Listen. Not MLM or franchising

Call 0181 236 4613

BUSINESSES FOR SALE

COALVILLE LEICESTERSHIRE
Well established business. 100% owned. Good location. Good management. Good staff. Good equipment. Good facilities. Good future.

RARE OPPORTUNITY
to acquire established prestige designer fashion business. Luxury premises SW3. Suit energetic entrepreneur for enjoyable hands on business with potential for development and expansion. Around £25k.

BUSINESS SERVICES

WATER/EFFLUENT/OIL PRODUCTS ETC STORAGE TANKS INCLUDING BUNDLED TANKS AND CONTAINER ISO TANKS FOR HIRE
Cylindrical horizontal Tanks with Long or Short Term Hire

We supply a wide range of tanks for water effluent etc. Large capacity. Speedy delivery. After sales service for all products available.

From 500 gals to 10,000 gals capacity

TELECOMMUNICATIONS

SAVE ON INTERNATIONAL PHONE CALLS

Digital Switching/Fiber Optic Lines
• AT&T and Other Networks
• Use from Home, Office, Hotels, Cell Phones
• 24 Hour Customer Service

Call now for New Low Rates
Tel: 1.205.284.8600
Fax: 1.205.270.0009
Lines open 24 hours

The Original **kalback**

BUSINESSES FOR SALE

Appear in the Financial Times every Tuesday, Friday and Saturday.

For further information, or to advertise in this section, please contact

Marion Wedderburn on +44 0171 873 4874

BUSINESSES SOFTWARE

INVESTOR EASE

Professional Software for Private Investors
Historical price data, financial company announcements & broker research for 2,300 US stocks.
Easy to use portfolio management with complete set of day updating by modem.
Full range of reports and analysis tools.
All this for only £9.75 inc VAT per month.
Free 30 day trial of full paid version.

Contact INVESTOR EASE at:
Tel: 0181 482 4224
Fax: 0181 482 4224
Email: investor@investor-ease.com
All Creditors Ltd, 882 GFL

Wincrypt95

KEEPS YOUR SECRETS SECRET
Drag and Drop your sensitive files and encrypt/decrypt them to Delancey Encryption Standards.
Stop anyone getting at your information.
Download fully functional trial version from www.win95.com or www.win95.com
Order now from **OLYMPIAN COMMUNICATIONS**
48 US Dollars/£25 - VAT
Contact: olympic@netwinet.com

CONVERTIBLE BONDS

Universal Convertibles Add-In
Setting a new industry standard for accuracy, speed and ease of use. Analyzes portfolio of Convertible Bonds (including convertibles and cross-currency) with structured calls, puts, conversion and credit spreads. Improved risk monitoring via real time spreadsheets, real-time feeds and in-house databases. Uses a multi-factor formula to calculate bond price, with most accuracy.
Merrill Lynch Risk Management (Financial Systems Software) Ltd, Established 1987 - 15,000 users globally. Worldwide Court, Thompson Street, London EC2N 2AT.
Tel: +44 171 628 2007
Fax: +44 171 628 2008
E-mail: fss@fss.com

PRIVATE INVESTORS

Infotrade gives you access to:
• Portfolio management
• 3 years' historical data
• Real time prices
• AFP real time news
• FT headlines and articles
• Company reports
• On-line share dealing
• Plus personal finance
• Plus internet and e-mail
Discover the benefits of Infotrade.
Call 0800 226600 or 0121 717 3804 to request your free CD copy of Infotrade software. Infotrade Ltd is regulated by the Securities & Futures Authority.

THE DEFINITIVE BUSINESS VALUATION TOOL

Value is a computer software package which can assist a business owner to determine the value of his business. It is based on a wide range of factors including: sales, assets, liabilities, and projected future performance. It is a unique and powerful tool for business valuation. It is a unique and powerful tool for business valuation. It is a unique and powerful tool for business valuation.

UNIVERSAL MBV ADD-IN TOOLKITS

"Bonds-Options-Futures-Swaps" "No Arbitrage Volatility Term Structure" "Portfolio Sensitivity Analysis" "Multi Asset Home Office Analysis" MBV provides the most widely used analytical tools: financial calculators, advanced derivative portfolio analysis, source code consultancy and risk management training. Fully integrated with Excel, Access, Visual Basic, C and C++. Can be linked with most real-time feeds. Merrill Lynch Risk Management (Financial Systems Software) (PSS) Ltd, Established 1987 - 15,000 users globally. Worldwide Court, Thompson Street, London EC2N 2AT.
Tel: +44 171 628 2007
Fax: +44 171 628 2008
E-mail: fss@fss.com

ON LINE INFORMATION SERVICE

ShareScope
HELPING INVESTORS MAKE BETTER INVESTMENTS

FREE DEMO DISK

CALL FREE 0500 321456

KAISHA Modeler Pro

Document and model your company business processes and see your real costs! Over 1000 users already worldwide in many industries.
KAISHA Modeler Pro, an easy to use Documentation/ Costing/Management tool for Windows95 NT. Superb graphical interface, fully supported by NEC.
Order free demo: www.kaisha-tec.com or e-mail: giong@kaisha-tec.com

To advertise in Home and Office Software

please contact **Paul Meakins**

Tel: +44 171 873 3218 Fax: +44 171 873 3098

To advertise in Business Opportunities or Business For Sale

please contact **Melanie Miles**

Tel: +44 171 873 3349 Fax: +44 171 873 3064

Governments may signal timetable for nationalist party to rejoin Northern Ireland negotiations

Sinn Féin exclusion from talks nearer

By John Murray Brown in Dublin and John Kampfer in London

The UK and Irish governments are expected to announce a timetable for Sinn Féin's exclusion from the Northern Ireland talks while indicating a timetable for its return. The move is expected when negotiations move to Dublin, capital of the Republic of Ireland, on Monday.

Mr. Mowlem, chief Northern Ireland minister in the UK government, said yesterday the police believed the Irish Republican Army had been involved in two murders this week. Sinn Féin is the political wing of the IRA.

Officials say the governments will use Monday's meeting to set a marker for Sinn Féin to rejoin the process. That is expected to be done by announcing a date for the readmission of the Ulster Democratic party, ejected from the talks two weeks ago after the Ulster Freedom Fighters, its military wing, admitted killing Roman Catholics in January.

The plan would avoid a dispute between the parties which could hamper progress in the negotiations. The aim is to balance the need to maintain the "integrity" of the process, while reducing the risk that Sinn Féin's expulsion

might endanger the IRA ceasefire. Officials add that failure to act against Sinn Féin would trigger a walk-out by pro-British unionists.

Unionists said yesterday they would seek Sinn Féin's permanent exclusion. David Trimble, leader of the Ulster Unionist party, the largest pro-British party in Northern Ireland, said: "I think the time has come when we must accept they are not going to change their spots." He accused the republican movement of preferring to "engage in a sectarian tit-for-tat killing and a squalid gangland turf war over drugs".

Sinn Féin indicated it would

"vigorously challenge" any such move to eject it, and accused the police of adopting a partisan agenda. Mitchell McLaughlin, Sinn Féin chairman, said Mr. Flanagan had "no moral authority or integrity to decide whether or not Sinn Féin should stay at the talks".

"Sinn Féin hasn't murdered anybody. We are there with our mandate and we have a job to do," he said. There was "no prospect whatsoever, not the chance of a snowball in hell, of finding a democratic solution if our party are not part of finding that solution".

Gary McMichael, leader of the Ulster Democratic Party, said that

if the UK government did not support ejection of Sinn Féin it would be engaging in double standards.

Any final announcement about Sinn Féin will rest with the Irish government as host to Monday's session of the talks.

Bertie Ahern, the prime minister, said yesterday he would "reflect" on the Northern Ireland assessment over the weekend, but he conceded it was "a serious matter". Liz O'Donnell, the republic's minister of state for foreign affairs, said the two governments would have to decide whether the Mitchell rules underpinning the talks had been "demonstrably dishonoured".

Moslems oppose air strike on Iraq

By Jimmy Burns in London

There was no doubting the strength of feeling yesterday as thousands of Moslems gathered at London's Regent's Park mosque on the traditional day of prayer.

Opposition to the threatened military strike against Iraq was widespread and every Moslem interviewed seemed united in the belief that much more time should be devoted to diplomacy. This contrasted with August 1990, when those at prayer in Regent's Park were divided following the Iraqi invasion of Kuwait.

But at the end of a week that has seen more burning of US flags in Baghdad and a petrol bomb attack on the British embassy in Amman, the overwhelming mood in one of the UK's prominent centres of Moslem worship was of moderation.

Many echoed the position of a leading London-based Iraqi opposition leader, Ahmad Chalabi. He told a human rights committee of both Houses of Parliament this week that it was morally indefensible to strike Iraq without a strategy for



Opinions at a London mosque yesterday differed markedly from those offered there in 1990 after Iraq had invaded Kuwait

getting rid of Saddam Hussein. "This is all a game as far as the US is concerned," said Namik, a Turkish student, who like all those interviewed would not give his full name. "They are not there because of human rights but out of pure self-interest. And the British are following like true colonialists."

Namik described Iraqi president Saddam Hussein as "crazy" but feared a US/UK action would play into his hands, and engulf the

region in a conflict of unforeseeable consequences. "This is different to 1990," said Algerian-born Abdul. "Some of us saw what Saddam did then as naked aggression. But now who stands to be killed? Not the inhabitants of Kuwait but the women and children of Iraq."

Among the few keeping a diplomatic silence yesterday was Dr. Hamed Al-Majed, the director general of London's Islamic Centre, which runs the mosque. As a registered charity, the centre cannot

under UK law make political pronouncements. "I have been instructed by the chairman of the board of trustees, the ambassador of Lebanon, not to say anything on this matter," said a spokesman.

It was in contrast to the position taken 24 hours earlier by London-based Saudi dissident Mohammed al-Masari, who narrowly escaped deportation two years ago. He issued a press statement calling on Moslems to unite in a "holy war" against the UK and the US if both coun-

tries attacked Iraq.

Such sentiment was not in evidence in Regent's Park yesterday. Militant fund-raisers are kept outside the gates of the mosque. There was, however, both within and without, a palpable sense of frustration that could easily turn to anger.

"Why doesn't the US put its efforts into securing a Middle East settlement instead of making war?" said one of the worshippers, as the sun was reflected from the mosque's dome.

Dismissal highlights soccer pay pressures

By Patrick Harverson in London

Ruud Geffert, fresh from being dismissed as player-manager of Chelsea soccer club for demanding a pay increase to £2m (\$3.34m) a year, was asked yesterday whether top stars deserved a bigger share of the sport's considerable riches.

He replied: "Everything is going up and the clubs are getting paid more money by television..."

The inference of Geffert's remark was clear. It is the players whom the spectators and television companies pay hundreds of millions of pounds to see every Saturday, and so it is the players who should be entitled to a fair share of the revenues.

The story highlights the tensions within soccer over pay. Players want more as a reward for their role in the sport's current boom, but the clubs are beginning to resist their demands because rapidly rising wage costs are making it increasingly difficult for all but a few to make money.

The clubs could be said to have only themselves to blame, for it is the chairman who sign the players' cheques. Ambitious clubs want to sign the best and most expensive players to ensure they remain competitive on the field.

The players, or more importantly their agents, are only too aware of the clubs' vulnerability. The result has been a sharp rise in the number of Premier League players earning more than £1m a year.

Tensions over pay have begun to surface recently, with several prominent chairman warning that clubs can no longer continue to meet players' demands.

Club chairmen are not the only ones worried. With 20 soccer clubs quoted on the stock market, investors and City analysts are concerned that wage costs are rising at an annual rate of 25 per cent in the Premier League. Revenues, despite huge growth in television income, are not keeping pace.

In their most recent study of football finances Deloitte & Touche, the accountants, noted that wage costs represented 50 per cent of Premier League revenues in 1995/96, up from 45 per cent the year before.

UK NEWS DIGEST

Groups line up for Emu battle

Cross-party groups for and against UK membership of a single European currency are preparing to dig deep into corporate coffers as soon as the final decision is taken in April about which European Union countries go into the first wave. The European Movement, a pro-Emu lobby group, said yesterday it planned to spend more than £1.5m (\$2.5m) this year promoting the euro. "We're putting together a programme of sustainable and growing spending until and during a British referendum campaign," said an official. He was responding to reports that leading figures from politics, business and other parts of public life were looking to form a cross-party campaign to "save the pound", with a budget of up to £10m (\$16.7m). Baroness Thatcher, the former Conservative prime minister, is likely to be its figurehead.

Tony Blair, the present prime minister, last month called for a "patriotic alliance" to promote the virtues of close co-operation with Europe. The European Movement has close links with several leading pro-Emu ministers in Mr. Blair's Labour government, and is expected to be given tacit support for its campaign. Ian Taylor, who resigned from the opposition Conservative party's shadow cabinet in protest at its decision to oppose Emu membership for 10 years, yesterday called on the government to be "more courageous and give a lead" in selling the euro to business and the public.

BCCI

Liquidators' claim reinstated

A \$1.8bn claim brought by liquidators of the collapsed Bank of Credit and Commerce International against Ernst & Whinney, a predecessor of accountants Ernst & Young, was reinstated by the Court of Appeal in London yesterday. The ruling overturns a High Court decision of January last year dismissing the action. The High Court struck out the claim concerning BCCI (Overseas), a Cayman Islands subsidiary of the bank. The judge then said that BCCI Holdings, which was audited by Ernst & Whinney, had no duty of care over the subsidiary. The reversal of this decision means that Ernst & Whinney and Price Waterhouse, both auditors to BCCI, face claims of more than \$2bn from the bank's liquidators.

CREDIT CARDS

Warning on US competition

Barclaycard will today warn that the growth of cheap lending from new US entrants to the credit card market could lead to higher levels of bad debts. Barclaycard is to cut its own interest rate and annual fee for high spenders in an attempt to win back customers from cut-price US operators. It will also offer a lower introductory rate for the first time. Barclaycard is the UK's largest card company with more than 8m cards in issue - over a quarter of the market - but it has been losing market share to US card specialists such as Capital One, MBNA and Advanta's joint venture with Royal Bank of Scotland, John Eaton, managing director of Barclaycard, dismissed the teaser rates offered for a short period by the new entrants as "fundamentally flawed and dangerous" because "customers start to surf, moving to another low price [card] every six months".

The availability of cheap credit through cut-price cards in the US has been a big factor in the sharp rise in bankruptcies, he said.

MAD COW DISEASE

Committee chief defends conduct

Sir Richard Southwood - one of the leading figures in the BSE or "mad cow disease" saga - says it would have been "irresponsible" to have rung alarm bells more vigorously than he did "when a committee he headed published a report on the disease in 1988. His comment will be broadcast in the UK soon in a BBC television interview. The report said the chance of transmission of bovine spongiform encephalopathy (BSE) to humans was "remote". So far 23 people have contracted the fatal human variation, Creutzfeldt-Jakob disease. Sir Richard, who will be an important witness when the BSE inquiry begins taking evidence next month, has been criticised for not making the public more aware of the risk in the 1988 report. It was not until March 1996 that the government officially recognised the possibility of transmission to humans.

ENGLISH CHANNEL FERRIES

Silja to review freight operation

Silja, the Finnish ferry operator, yesterday confirmed its withdrawal from passenger services in the English Channel, while reviewing its presence in freight and port operations. Jukka Suominen, chief executive, said Silja would continue its freight and port services in the English Channel for the time being, but would probably seek an exit from those businesses in the future. "In the long term, Silja is likely to dispose its ownership partly or wholly of the freight and port operations. It is not of strategic interest to us," he said yesterday. Mr. Suominen stressed that Silja would seek a "solution" that would enable those operations to continue, even if the company decided to withdraw from the Ramsgate-Belgium route.

Stock Exchange rejects plea for trades change

By George Graham, Banking Editor

The London Stock Exchange has rejected proposals to change the way in which share buybacks are settled and plans to stick to the current system of settling each bargain individually.

Some member firms had been pressing for the exchange to act as a "central counterparty" after the introduction of its new electronic order book last October. This would have allowed brokers to add up all the trades they make each day in a particular share and settle the net balance with the exchange.

Martin Wheatley, head of marketing and business development at the exchange, said it had carried out a cost/benefit analysis and found "no sustainable case for the implementation of a central counterparty for order book trades".

The exchange also

announced yesterday that it would offer a parallel order book in euros so the roughly 100 most liquid UK stocks could be traded either in sterling or in the single European currency from January 4 next year.

Building a robust central counterparty system would have cost between £10m (\$16.7m) and £20m, but many of the arguments in its favour have proved less powerful in practice than they seemed when the order book was launched.

One initial worry was that because a broker could not know who would match the orders it posted on the order book, it could end up trading with another firm that it regarded as a bad credit risk. That concern has been largely allayed by a stock exchange insurance system that guarantees payment even if a counterparty fails.

Some exchange firms also wanted the anonymity of a central counterparty system,

since each firm settles with the exchange, rather than directly with each other. The London system allows them to remain anonymous when they post an order on the exchange's order book, but reveals their identity to anyone who matches that order.

But Mr. Wheatley said while anonymity was an essential defensive feature for market-makers with large trading portfolios exposed to attack from rivals, it was less useful in the new system, where trading positions are smaller.

A single large order can be matched by several smaller bids, and the trader then has to pay settlement costs for each of these "multiple fills".

Before it launched the new trading system, the exchange had expected an average of two fills per order posted on the order book. Although every broker has a story of an order filled with ten smaller bids, the average has dipped to about 1.5.

Strong pound lifts car prices

By Neil Buckley in Brussels

The strength of sterling is continuing to push up car prices in the UK compared with other European Union countries, the European Commission reported yesterday.

The commission's latest six-monthly survey of EU car prices, conducted in November, shows that, after converting prices into euros, the UK is the most expensive place to buy 61 of 72 models surveyed.

Six months earlier, UK prices were highest for only 54 models, and a year earlier for only 15.

As in previous surveys, the cheapest place to buy cars was the Netherlands, which had the lowest prices for 35 of the best-selling models, and Portugal, cheapest in 14 cases.

The commission said yesterday it was receiving "continual complaints" from British consumers wanting to

buy right-hand drive cars in markets cheaper than the UK's. It warned manufacturers they had to make such cars available.

Under EU competition rules, the commission said, carmakers were obliged to make right-hand drive cars available to dealers wishing to sell them, and it would "not hesitate to take proceedings" against manufacturers flouting these rules.

The latest car price survey shows that differentials have widened in the past six months thanks mainly to currency movements. For 16 of the 72 models, prices varied by more than 40 per cent across the EU. Price differences of more than 20 per cent were found for all manufacturers except Germany's Audi.

The biggest differences between the highest and lowest EU prices were for the Volkswagen Polo at 54.3 per cent and the Ford Escort/Orion at 45.4 per cent.

Athletics could be on last lap

Accountant struggles to rekindle interest and save the sport

The Bupa Grand Prix, which will open the British athletics season tomorrow, is of more than passing importance for the future of British track and field sports.

The 10 Olympic and world champions due to perform at Birmingham's National Indoor Arena in the Midlands will include Ethiopian distance runner Haile Gebrselassie, Ukrainian pole vaulting legend Sergei Bubka, and Britain's triple-jump world record holder Jonathan Edwards.

Less well known, but arguably the most influential figure in the sport in Britain today, is Ron Speight, the Birmingham accountant last year appointed administrator of the defunct British Athletic Federation.

Mr. Speight, an insolvency expert, was appointed after the governing body collapsed with debts of £1.7m. He has had the task of liquidating BAF's assets to meet the demands of its many creditors while building a regulatory organisation capable of succeeding where BAF so spectacularly failed.

BAF's only assets are the promotional, marketing and television rights to domestic athletics events. Given the sport's current lack of popularity in Britain, finding buyers has proved hard.

A start was made when APL, the sports marketing group run by former



Ukrainian Sergei Bubka is expected to attract fans in England tomorrow

Speight may struggle to find backers for the rest of the year's meetings. The first objective at Birmingham, he says, is to restore some credibility to athletics. "The athletes want to be sure they're going to be paid," the television companies want to ensure it will be something worth showing, and the sponsors want to know there'll be a TV audience."

If Birmingham goes well he is confident someone - possibly APL - can be convinced to take on all of Britain's international meetings this summer and bring in much-needed income to BAF. "If we can reach a deal on commercial rights soon, we can put forward a proposal to get money to the creditors," he says.

Hopes of paying back the creditors are nevertheless complicated by the fact that BAF could soon have to pay £730,000 in legal costs in the case of Diane Modahl, the athlete who successfully challenged a drug ban imposed on her at the last Commonwealth Games.

It is the politics of the sport, as much as its financial woes, that make Mr. Speight's life difficult. But he is clear that BAF's successor needs to be a "cohesive organisation to take athletes from the junior level all the way through to the British team".

Patrick Harverson

COUNTRY PROPERTY

ANDREW LOUIS
PROPERTY INVESTMENT SURVEILLANCE AND CONSULTANTS
(SEFTON) Tel: 0151 922 9888
NOW IS THE MOMENT!
* BUY TO LET INVESTMENT OPPORTUNITY
* HIGH RETURNS - LOW RISK
* FINANCE AVAILABLE
* PROFESSIONAL MANAGEMENT
* SKILLED PROFESSIONAL TEAM
* FREE INFORMATION PACK
* PLC - LTD CO ENQUIRIES WELCOME
Visit our Web Site: <http://www.andrewlouis.co.uk>

SALISBURY CITY CENTRE
A selection of three upper floor Apartments in an elegant Georgian Building
• South facing views
• City shops within easy walk
• Spacious living rooms
• 2 or 3 bedrooms
• Garaging
• Gas CH
Prices from £195,000 - £225,000
Hedderley and Major 01722 537075
Humberts 01722 534452

FRAMEWOOD MANOR
PRIME, SUBURBAN HOME
Luxury apartment set in 9 acres within former manor house.
Leisure complex with indoor & outdoor swimming pool, tennis courts, croquet lawn.
£225,000 LEASE
The Finance & Property Partnership 01789 888845

ROYAL CRESCENT BATH
NEEDING COMPLETE REFURBISHMENT
GARDEN MAISONETTE
FIRST FLOOR
TO BE SOLD IN 2 LOTS AT AUCTION
27th MARCH
COBB FARR
Tel: 01225 333332

INTERNATIONAL PROPERTY
Between Geneva and Berne
View of the Lake and Alps - near Neuchâtel
Superb large mansion property built in the 19th century
comprising outbuildings, horse riding facilities, swimming pool and park.
Refurbished and tastefully maintained.
Suitable for a range of activities (private property, institutional or office use).
Detailed description available.
Please write Box No. 0-022-554655 to Publicists, CH-1002 Lausanne

MARSELLA, Frontline golf villa, 3 bed, 3 bath, garage, private gdn, pool, absolute bargain, +44 (0)785 253111

ST JEAN CAP FERRAT 46m² 1st floor, Apt. in modern block, Terr, in pool, garage, concierge, sleeps 4, fully furn. FFR655k - +4 (0)181 449 5037

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday February 14 1998

Welcome to the party

Looking at the behaviour of the major equity markets over the past few weeks, one might be forgiven for believing that the Asian crisis had never happened. The Dow Jones Industrial Average has risen by 6 per cent since the beginning of this year, and hit new highs this week. Many European stock markets have performed even better. The Nikkei index has climbed 10 per cent over the same period, albeit from very low levels. Is the global party in the equity markets, rudely interrupted by Asia, back in full swing?

The main reason for the buoyancy of equities has been a reassessment of how the Asian crisis will affect the rest of the world. It had been feared that the crisis would lead to global deflation and a serious downturn in growth.

But the crisis now appears to have been contained. South Korea and Thailand (and, until recently, Indonesia) are implementing sensible policies and are being rewarded by stability in their financial markets. Vulnerable countries, such as Hong Kong, Brazil and Russia, have escaped contagion from Asia. A global slump looks highly improbable.

In fact, unimaginable as it would have been just a few weeks ago, the Asian crisis is now being seen as a positive influence on the world economy. There is a perception that the deflationary impact of the crisis will do just enough to keep the lid on inflation in the major industrialised economies, without the need for interest rate rises. Recent decisions by the Bank of England, the Bundesbank and the US Federal Reserve Bank to keep rates unchanged have been seen as evidence of this.

This prospect of lower long-term interest rates is excellent news for the bond markets. Long bond yields, which fell dramatically last year, have now reached historically low levels. Since the valuation of equities is highly sensitive to bond yields, this has provided a significant boost to the stock markets.

Boom year

Add to this a few major take-overs and mergers, a high level of share buybacks by firms with profits to spare, and the growing confidence about European monetary union, and the scene is set for 1998 to be a boom year in the markets.

But don't pull the party poppers just yet. There is a chance that unwelcome events may spoil the celebrations.

First, and obvious to all but the most bullish of investors, the Asian crisis may not yet be over. The most immediate concern is the deterioration this week of the situation in Indonesia. The announcement of the preparation of a currency board system, which Indonesia's financial system may not be ready for, was a high-risk strategy. A further crisis in Indonesia could yet spark off another round of speculative attacks.

Stimulus package

It is also possible that the impact of the crisis could tip the weak Japanese economy into recession. It is worrying that in the two months since the announcement of the fiscal stimulus package in December, there have been no new policy measures from Japan. The authorities still seem unaware of the risks they are taking in failing to act.

But even if we assume the best-case scenario for Asia, stock markets could still come under pressure. After a booming 1997, earnings expectations for this year are high. There is plenty of scope for a shock. It may be difficult for earnings to come up to expectations this year, particularly in the slowing economies of the US and the UK. Even if the Asian crisis is contained, the increased competitiveness of the affected countries will have a substantial effect on world trade. As the year progresses, we could see some negative earnings shocks from companies who find themselves undercut by Asian rivals.

In the US and the UK, earnings growth is also threatened by the prospect of increasing labour costs. Both countries have unemployment rates of around 5 per cent, and falling. After a long lag, this is finally feeding through into wages. This could be a serious blow to profits - particularly since many companies will be unable to pass on the cost to their customers, because of price competition from Asia.

The exuberance in the equity markets is not entirely irrational. There are good reasons to believe that the prospects for long-term interest rates have improved. But high market valuations do not seem to have fully taken account of the risks that lie ahead. This party could come to an abrupt end.

When 75-year-old men parade through the streets with political party logos skewered to their bare chest with bicycle spokes, or when politicians haul giant scales through the city so they can be weighed in coins given by devoted followers, it can mean only one thing. An Indian general election. Voting starts on Monday.

Indian elections have campaigning dwarves, parrots taught to recite party slogans, yogic flyers and militant eunuchs (party logo: a penis). Bollywood stars and sporting heroes vie on the hustings with gangland hoods and murderers, plus of course some politicians. India is not just the biggest democracy in the world with its 600m voters. 650 parties and more than 6,000 candidates. It is also the most weird and wonderful.

Nothing matches it as a feat of human organisation in the modern world. It takes four days of voting staggered over almost two weeks and requires the sequestration of nearly all India's police and security forces, 4.5m officials and most of its junior bureaucrats. The majority of its schools and public buildings are appropriated for voting in 300,000 polling stations, along with every bus, truck, jeep and rickshaw that can be hired, begged or borrowed. And it costs hundreds of millions of rupees, not all of them - in the case of the candidates - earned or spent legally.

Altogether, it is India's biggest *tamasha* - a spectacle or festival. And, as anyone knows who has been drenched in lurid dyes at the festival of Holi, dodged a looping rocket during the pyrotechnic anarchy of the Diwali fireworks festival or has had the stamina to endure a full-blown Indian wedding, India knows how to party.

By Indian standards, the current election has been a somewhat lower key affair than in the past. This is partly due to election fatigue: not only is this the second nationwide poll in less than two years, but in several Indian states it is the fourth or fifth in as many years if you include state government elections. Also, India's election commission has clamped down heavily on some of the extravaganzas of previous polls, enforcing candidates' spending and bounding politicians who put up more giant cut-outs or indulge in more lavish motor cavalcades than their Rs450,000 (£7,000) campaign budget permits.

Politicians are also short of cash. India is in the midst of an economic slowdown, drying up the flow of "black money" from business to politicians. One indicator is jeep sales, which normally soar before Indian elections, as businessmen buy up vehicles necessary to cart politi-

India's lucky dip

Mark Nicholson on the spectacle and organisational miracle of an Indian election and Sonia Gandhi's role in the show



cians through the gruelling potholed roads of rural constituencies. This time round, sales have been static. "The politicians are hard up, they don't have the funds," says Rajiv Narain, the Lucknow distributor for Mahindra & Mahindra, India's biggest jeepmaker, M&M.

What has rescued the theatre this time, however, is the extraordinary campaign of Sonia Gandhi, widow of Rajiv, the former Congress leader who was assassinated in 1991. India's 12th general election has so far been all about Sonia Gandhi.

"There's only been one real issue," says Shekhar Gupta, editor of Indian Express newspaper. "It's become Sonia Gandhi versus the rest."

Mrs Gandhi was the indirect cause of the election. Ever since her husband's assassination at the hands of a Tamil Tiger suicide bomber at a 1991 election rally, Congress has been in decline. The party, dominated by members of the Nehru-Gandhi family until Rajiv's death, has lacked fresh ideas, capable leaders and political vigour. The party's support drained into new, smaller parties representing the caste and regional interests once housed under Congress' informal coalition.

For many Congress leaders, the sole hope of regeneration was somehow to return to the days of

dynastic politics. The Italian-born Mrs. Gandhi, as "betress" to the Nehru dynasty, has since 1981 held the party in thrall and wielded considerable influence over the Congress party. But she has always refused to participate directly in political affairs. She chose instead to guard her privacy and that of her two children - becoming in the eyes of a fascinated media, for whom the Gandhis are a cross between royalty and the Kennedys, a mysterious "sphinx".

Desperate for a rallying issue to tempt Mrs. Gandhi out of seclusion, and frustrated by being out of power, some party leaders used an inquest into Rajiv's assassination to bring down the 13-party coalition government. Citing a recent government report alleging the involvement of a Tamil Nadu-based party - part of the United Front coalition government - in Rajiv's killing, Congress withdrew support for the government. It duly fell.

There followed a desperate moment for Congress when it appeared that Mrs. Gandhi would not agree to campaign for the party.

In December it seemed as if the Hindu nationalist Bharatiya Janata party and its allies would storm the elections. A demoral-

ised Congress was losing members and splitting up in several states. Internal assessments said the party would win just 80 seats against 140 in 1996 - its worst-ever showing.

With a debacle in the offing, Mrs. Gandhi finally succumbed to party pressure and agreed to campaign. No one was ready for the effect. "We all got it wrong," says Mr. Gupta, who along with most other commentators, had dismissed both the likelihood of Mrs. Gandhi entering the fray and any effect she might have by doing so.

Mrs. Gandhi abandoned years of widow's seclusion and stormed the hustings. Steered by a coterie of Rajiv's former advisers, who boast of having produced India's "first western-style election campaign", Mrs. Gandhi has covered tens of thousands of kilometres at rallies: from Assam in the north to Goa in the south. Crowds have been big and enthusiastic. The polls have turned around for Congress and India's media has been besotted by the "Sonia factor". She has changed from a "sphinx" and an "enigma" to Congress's "star performer".

"These people are political stars in an otherwise lacklustre campaign," says Tavleen Singh, a columnist. "The whole family waving away like lunatics - it's great *tamasha*."

People may like it. But will they vote for it? Opinion polls suggest Mrs. Gandhi might have heaved Congress back into contention to head a coalition government. Some commentators, however, wonder whether the Gandhi effect will make a real difference. "She's been very successful in the media," says Ms Singh. "But when you talk to people in the villages, it's a bit like Imran Khan's campaign in Pakistan last year. People go out to see her. But, she says, that will not necessarily translate into votes."

Indeed, gauging the mood of this gargantuan electorate is hazardous. Not least because two-thirds of the voters live in rural areas, and because it is the poor, lower-caste inhabitants of dusty Village India who are increasingly shaping its politics.

Voter turnout, which has steadily increased since the first election in 1952, has been rising fastest in rural areas. It has transformed the nature of politics as the poor and lower castes assert themselves, creating legion smaller regional parties. It has also rusticated parliament. The number of farmers in the last parliament (210) was twice the number in 1952. The number of lawyers (70) was less than half (another extraordinary feature of Indian politics). "People have got more aggressive about their rights and deprivations," says M.S. Gill, chief election commissioner. "People are not passive. And why should they be?"

All of which makes Indian elections a point of national focus. "We are a very politicised society," says Mr. Gupta. "And elections are a moment for free speech and taking sides. We are also a very divided society and an election is an obvious occasion when you can come out with your prejudices. For the poor and lower-class Indians, it is also the only power they have in the system."

This is why polling days in India resemble both a national state of emergency and the country's most ecumenical festival. Mr. Gupta calls it a universal ritual in the world's most diverse land. Borrowing from Hindu ceremony, he says, "It's like a collective dip in the Ganges for the whole society at once."

State borders are sealed, alcohol sales are banned and police tour the villages. Women dress in their finest silk saris and best jewels, often linking hands to walk singing to the polls. "Even the crime rate falls," says a Lucknow bureaucrat who has organised a dozen polls. "Because the criminals are all involved in the politics."

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938, e-mail: letters.editor@ft.com. Published letters are also available on the FT web site, <http://www.ft.com>. Translation may be available for letters written in the main international languages.

Suits v Beards on internet is a classic standards war

From Mr Jonathan Lavenhol.

Sir, "Lords of the Internet" (February 7-8) was too narrowly focused on the domain name system of the internet, and misses the more important underlying issue about standards.

Jon Postel, as you say, runs the Internet Assigned Numbers Authority, which has authority over many aspects of the internet, including the domain name registry. IANA also co-ordinates work specifying all the numbers and other names which must be mutually agreed between all users of the internet for it to work. As your article states, the

massive majority of users don't care how these things work so long as they do, but IANA is the body whose job it is to care about these many things.

If you want to send spreadsheets to a colleague with different computers in another country, you need someone to have sorted out IP address allocations, port numbers, language tags, MIME tags, and AS numbers, as well as a comprehensive suite of protocol standards. Hence Mr Postel's most important role is as editor of the RFCs - the "request for comments" documents which form the standards, practices and

working documents for those wishing to develop the internet.

We can reduce the issue to one of Suits v Beards, but in reality what we have is a classic standards war - open versus closed. Microsoft is without doubt a great software company, which has made some incredibly useful de facto standards, but it isn't very good at making open non-proprietary standards. ISO is good at open standards, but often lets itself down by complexity and politics. The "internet elders" might justifiably claim that their practical and selfless approach has brought practical

networking and e-mail to the business world for a long time, and quite possibly in a better way than the rest of the computing industry added up.

If the business world is unhappy with IANA and the other parts of internet governance, we must provide practical alternatives that go a lot further than merely putting business in charge of domain names.

Jonathan Lavenhol, head of information technology, Imagination, 25 Store Street South Crescent, London WC1E 7BL, UK

Poisons and a gullible public

From Mr Colin W. Parsons.

Sir, Dr Theodore Dalrymple's comparison between tea and tobacco ("Ready to choose your poison?" February 7-8) is not quite so tongue-in-cheek as it might seem.

The inhalation of tobacco smoke has been misrepresented and readily accepted by a gullible public as less natural and hence implicitly more dangerous to health than many other common human activities. These include the increasingly widespread domestic use of insecticide aerosols as well as legally enforced wholesale introduction of potent toxins into the food chain.

Infusions of tea and other kinds of weed, on the other hand, have much in common with "respectable" medicines and elixirs, many of which are by no means as beneficial (nor in some cases as benign) as their advocates would have us all believe.

It is clear that tobacco smoking is not universally detrimental to human health. There are indeed some folk to whom smoking might be of benefit. It has been reported that smokers are less inclined to contract Alzheimer's Disease than those who abstain. Britain's oldest man, who died last year at the age of 106, was reported to have been a heavy smoker for much of his life.

Industry, and public transport services in particular, have eagerly embraced the non-smoking policy as it translates directly into a higher profit margin. This is perfectly legitimate, but let them not take us for fools by trying to pretend that altruism, much less public demand, plays any part in their decision.

Colin W. Parsons, c/o SCECO East Generation Dept, PO Box 5190, Dammam 31422, Kingdom of Saudi Arabia

Courageous exposure on Everest

From Mr Carl Firmin.

Sir, It was with tremendous interest that I read Sally Nesbitt's article about "the first conquerors of Mount Everest" (February 7) refers to him as an investor and to the transactions as investments. But silver is a commodity that produces no earnings. Mr Buffet is acting the role of speculator and his silver

heights with Mr Tensing.

Now known as Sir Edmund, he's become something of a national hero, so it shocks me that none of the local members of the fourth estate has had the courage, like yourselves, to expose this sham.

Carl Firmin, 322 Wallace Street, Herne Bay, Auckland, New Zealand


A speculator with the silver touch

From David O. Jones.

Sir, Your article about Warren Buffett and his silver dealings "The man with the silver touch" (February 7) refers to him as an investor and to the transactions as investments. But silver is a commodity that produces no earnings. Mr Buffet is acting the role of speculator and his silver

transactions are speculations. Berkshire Hathaway shareholders might feel some discomfort if those terms were used.

David O. Jones, 77 Vandon Court, 64 Petty France, Westminster, London SW1H 9HG, UK



THE REPUBLIC OF UGANDA

TELECOMMUNICATIONS PRIVATISATION INVESTORS' FORUM

The Government of Uganda invites interested investors to an investors forum to be held in Kampala, Sheraton Hotel on 20th and 21st February, 1998. This forum will present a unique investment opportunity in the telecommunications sector in Uganda, the Privatisation of Uganda Telecom Limited (UTL). The forum will mark the start of the privatisation bid process which is expected to be completed by end of May 1998 with the announcement of the Strategic Investor in UTL. Investors in Telecom Sector (operators and financiers) are invited to take up this opportunity in Uganda.

Uganda is in its 13th year of stable government, comprehensive economic reform and has one of the fastest growing economies in Africa. Over the past 5 years, the country has consistently achieved and often exceeded growth targets agreed with IMF and the World Bank.

This forum will offer to interested investors an opportunity to:

- ☐ Obtain information on the investment climate and the telecommunications sector in Uganda;
- ☐ Obtain information on the Communications Law, Regulatory Regime, Draft UTL Operator's Licence, Pre-qualification Criteria and the Tender Documents;
- ☐ Visit the UTL Data Room;
- ☐ Interact with Government officials and other interested investors.

This Privatisation offers qualified investors an opportunity to:

- ☐ Acquire a significant majority stake in UTL which has previously been the monopoly provider of telecommunication services in Uganda. UTL currently has 47,000 fixed lines subscribers with a large backlog of unmet demand;
- ☐ Participate in providing mobile telephony services.

In order to achieve better delivery of telecom services, the Government has:

- ☐ Enacted a comprehensive, internationally developed legislation establishing an independent regulatory body providing for the rights and obligations of authorised operators and providing for interconnection, and fair competition;
- ☐ Awarded a tender for a Second National Operator Licence to provide local, long distance, international and cellular communications;
- ☐ Created Uganda Telecom Limited to operate the telecom assets of Uganda Posts and Telecommunications Corporation (UPTC) and is now privatising it.

Further information on the forum and the privatisation is available to interested investors by contacting:

Anne Mugisha Brownson
Information Officer, Privatisation Unit
Ministry of Finance
Kampala, Uganda
Tel: 256 41 256467
Fax: 256 41 259977/242463
Email: pum@mtl.com

S. Brian Samuel
Investment Officer
IFC
Tel: 263 4 794866
Fax: 263 793805
Email: Bsamuel@ifc.org

مكتبة الأكريل



BJ. Habibie used to be a joke. Diplomats and business people once rolled their eyes upon hearing the name of the man who has been minister for science and technology in the past four cabinets of Indonesia's President Suharto.

They would crack jokes about his zigzag theory, which held that high interest rates boost inflation and should therefore be brought down, raised again and lowered once more to promote economic growth.

They humoured him as he pushed the president to close magazines that criticised his costly aeroplane manufacturing plant and threatened to dismiss academics who dared oppose his ascendancy in politics. They laughed at the number of portraits of himself in his office and home.

But Mr Habibie's nomination this week for the vice-presidency wiped the smiles off their face. Parliament is unlikely to nominate anyone but Mr Suharto's personal choice for running mate in March, when the legislature and 500 hand-picked officials will vote for a president and vice-president.

Suddenly, this former butt of jokes has become the most likely successor to one of the world's longest-ruling presidents. If things go according to plan (which is not certain), Mr Habibie may before long take over

Man in the News • B.J. Habibie

Maverick close to power

Sander Thoenes profiles Indonesia's likely next vice-president

from a 76-year-old Mr Suharto who has ruled for 32 years. This would put him in charge of 300m people, 17,000 islands and some of the world's most valuable natural resources.

Even the International Monetary Fund, normally painstaking in its efforts to avoid involvement in politics, has voiced reservations. Stanley Fischer, its first deputy managing director, this week described Mr Habibie as a man "whose devotion to new ways of doing things was limited". Why are people so concerned about him?

Supporters of Mr Habibie say his alternative views on development have come to appeal to Mr Suharto because the traditional western prescription of open markets and deregulation has ended in such catastrophe. While the west preaches liberalism and adjustment, Mr Habibie believes in a big-brother theory of development. According to this view, a country can make itself rich behind closed markets simply by applying the right approach to technology.

Thus he has launched one

of the few aircraft manufacturing operations in the developing world. The project may not have been successful, but the western-style approach to development has hardly been a glittering success either. At present exchange rates, it has failed to raise per capita income above the level it was when Mr Suharto seized power three decades ago.

The quest for a different approach seems natural. But financial markets clearly take a western view. Share prices have dived in recent days and the rupiah followed suit on Friday. The fall partly reflects concern that a plan to peg the rupiah to the dollar may not get off the ground. But Mr Habibie's nomination also played a role. The last time markets fell sharply was when Mr Habibie's candidacy was first rumoured in January. Then the rupiah lost 33 per cent in one week.

It must give Indonesia's domineering military a grim satisfaction that its critics at home and abroad shudder at the thought of seeing a highly skilled civilian take over from an officer with only basic education. Mr

Habibie holds a doctorate in engineering from the Technische Hochschule in Aachen, has helped design deep-sea submarines, railway carriages and high-pressure water chambers for atomic reactors, and boasts an 18-year career at German aircraft maker Messerschmitt-Bölkow-Blom.

But he is not an economist, at least not an orthodox one. He has opposed trade liberalisation and favoured import substitution and lavish subsidies. In spite of the rampant corruption they have brought to Indonesia, his promotion of high-technology industries flies in the face of a serious shortage of skilled labour and lack of markets.

Mr Habibie is little liked abroad. Diplomats at several embassies have said that visiting ministers are treated to rambling lectures. "He just holds court and goes on and on about his planes," recounts one diplomat. Indonesia's decision to set up a currency board to peg the rupiah increases concerns about his perceived limitations because a scheme would sharply increase the costs

of sudden economic failure. "Some people are looking at this with rose-tinted glasses," the diplomat adds. "They think Habibie will be a civilian in a country dominated by the military - and a scientist at that. He also has some support among Muslims who share his dislike of the Chinese minority which dominates the economy. Some observers suggest he would like to copy Malaysia's policy of favouring ethnic Malay over ethnic Chinese in government jobs and contracts."

Mr Habibie may find himself isolated. He has made little effort to build alliances among the elite. His only claim to power is a life-long tie to Mr Suharto, who befriended his widowed mother when he was 13.

General Wiranto, about to be promoted to chief of the armed forces, is believed to have told the president that many officers oppose Mr Habibie. They are wary of his rash statements and suspicious of his civilian background.

His opponents often assume the army would simply shove Mr Habibie aside if Mr Suharto were to die. That may be wishful thinking. "As long as Suharto has made a decision it's difficult for anybody to fight it," says one diplomat. "He is still very much in control. And Habibie has some support in the army."

The support of at least two generals may be enough

to keep the army too divided to push him out. Most officers will remember the infighting within the military and the slaughter of more than 500,000 civilians that ensued in 1965 when a half-hearted coup against Mr Sukarno, the former president, failed.

Mr Habibie's opponents also tend to forget that he is quite popular with the middle classes. Some students like him because he is a civilian in a country dominated by the military - and a scientist at that. He also has some support among Muslims who share his dislike of the Chinese minority which dominates the economy. Some observers suggest he would like to copy Malaysia's policy of favouring ethnic Malay over ethnic Chinese in government jobs and contracts.

"He is a man who is very interested in his field, technology, but pays little attention to the economy or to social problems," says Amir Santoso, a political analyst with ICNII, a Muslim organisation chaired by Mr Habibie. "I doubt he will promote reforms. I doubt he has the broad political influence and support, even among the Muslims."

That is assuming Mr Habibie feels he needs popular support. "He thinks he can do anything," says a diplomat. "If he had a bumper sticker on his car it would say: 'Engineers can do anything'."

Christopher Brown-Humes explains why companies around the world are changing status and listing on the stock market

Our ex-mutual friends

First it was privatisation, now it is demutualisation. A trend made famous in the UK is spreading round the globe.

On Thursday, Prudential Insurance of the US, the largest life insurer in the world's biggest insurance market, said it planned to abandon mutual status - whereby companies are owned by members or policyholders - and become a quoted public company, owned by shareholders.

It follows last year's UK demutualisation boom, which showed \$85bn (\$55bn) in windfalls on one in three adults. Halifax, Woolwich, Alliance & Leicester and Norwich Union were among those that moved to a stock exchange listing.

But demutualisation has become a global trend, with a stream of recent announcements from life insurers and building societies in Australia, South Africa, Canada and Ireland. Continental Europe is one of the few parts of the developed world where it is not happening.

"Demutualisation has worked well in the UK, so people want to copy the strategy," says Charles Vincent, an analyst with PNC Bank in Philadelphia. "The process is being driven by companies' desire to be able to raise capital and diversify and expand more easily. The global financial services market is consolidating as larger companies outgrow their domestic markets and deregulation blurs the boundaries between traditionally distinct sectors, such as banking and insurance. Many companies believe it is easier to diversify and expand outside a mutual structure. Other processes are also at work, including a desire by directors to get share options. The trigger is often legisla-

tion change, making demutualisation possible. This is happening in Canada, where three of the biggest life insurers recently announced plans to change status."

An important motive for demutualisation is to weaken the industry's reliance on life insurance products, and allow them to offer a broader range of investment and banking products. In the US, the assets managed by life insurance companies were overtaken by nimbler mutual fund companies, which have already started to move into products such as retail bank accounts and insurance. While the Prudential was once arguably the most respected brand name in US financial services, the running has been made recently by well marketed companies with lower running costs, such as Fidelity Investments and Charles Schwab.

The US has so far seen only one big insurance demutualisation - that of the sprawling Equitable group, which includes both Equitable Life and the Donaldson, Lufkin & Jenrette investment banking group. The lack of activity is partly because of regulatory obstacles - insurance is regulated on a state-by-state basis.

The pressures on mutuals around the world are increasing, not least because of 'me too' pressures to join the global trend

Michael Blumstein, life insurance analyst at Morgan Stanley Dean Witter in New York, and author of "Twilight of the Mutuals", says: "I suspect the same forces are at work the world over. How do mutuals compete with mammoth, diversified, stockholder-owned companies? They don't have the capital, they don't have the economies of scale, and they don't have the currency to motivate management and employees."

Jonathan Schwartz, head of global acquisitions at AMP, the big Australian insurer which has just demutualised, says: "The trends in financial services are putting enormous pressures on everyone in the industry. Scale has become very much more important because of the costs of maintaining your brand, developing products, marketing, distributing and technology." For European groups, he argues, these pressures will intensify as the single market becomes a reality and cross-border takeover activity increases.

Demutualisation windfalls to policyholders or depositors can create a feedback factor, as they did in the UK last year, although economists fret about their potential to create a spending boom stoking up inflation.

A bigger danger is what would happen if all mutuals disappeared, as this would remove an important competitive force in the market. The remaining UK building societies, for example, are generally offering borrowers lower mortgage rates than the quoted banks, exploiting the fact that they do not have to pay dividends.

Prudential in the US - it is unrelated to the quoted UK company of the same name - has concluded that "policyholders would benefit most from a full demutualisation". That view would be

contested by many of the remaining UK mutuals. They would point to independent studies showing mutual policies pay out more at maturity, while costs and policy lapse rates are lower than at shareholder-owned companies.

Malcolm Murray, chief executive of Scottish Life (a mutual), says mutuals "serve only one set of masters, their policyholders. Proprietary companies must try to balance the interests of their policyholders against the demands of their shareholders. The potential conflict of interest is clear."

But the pressures on mutuals around the world are increasing, not least because of "me too" pressures to join the global trend.

In the UK, cash-rich predators would like to snap up medium-sized mutual life insurers such as NPI, Friends Provident, Scottish Life and Scottish Provident. Larger building societies, including Nationwide and Bradford & Bingley, know they too are at risk, which is why they have been keen to make mutually tangible by offering lower mortgages and better savings rates.

Some experts believe even Standard Life, Europe's biggest mutual life insurer, could eventually change its mind, in spite of its financial strength. This is because it has shown it wants to expand abroad and move into new business areas, such as banking.

Roman Chidyn, insurance analyst with Merrill Lynch in London, warns: "Policyholders at UK mutuals are going to ask if demutualisation is so good in Australia, South Africa, Canada and the US, why isn't it more of it happening here?"

Additional reporting by John Authors

It is not that there is a great striving for unanimity. It is that, within the debates we have, the differences are very narrow. Anybody who knows what they are talking about knows they don't know with total confidence.

Thus Eddie George, the governor of the Bank of England, explaining in December why the members of the Bank's monetary policy committee had never agreed publicly on the level at which they should set UK interest rates.

Only a month later, their unanimity was finally broken. Three of the four outside experts appointed to the committee wanted to raise base rates immediately. They were outvoted by four Bank "insiders", plus the fourth outside member.

That eight people should fail to agree on the appropriate level of interest rates in the UK is not in itself surprising. The economy is slowing, but wage pressures are stirring. As the Bank's Inflation Report put it: "Monetary policy is more finely balanced than at any time since the inflation target was introduced in 1992."

But the split - detailed in minutes published earlier this week - also reminds us that UK interest rates are now being set by a committee rather than an individual. Even leaving aside the fact that they are technocrats rather than elected politicians, this will have subtle but important consequences for the economy.

Committees are not renowned for their decision-making abilities. Alan Blinder, former vice-chairman of the US Federal Reserve, argues: "Monetary theorists should start paying some attention to the nature of decision-making by committee."

The dynamics of committee behaviour raise four questions relevant to what happens to interest rates:

- Does each member have an equal influence?
- Are members under pressure to reach a consensus?
- Will the committee move rates as far and as fast as a finance minister would?
- And if a committee is

Committee of unequals

Robert Chote on the split between doves and hawks at the Bank of England



Eddie George: adopted a 'wait and see' stance

more sluggish than politicians, is that good or bad?

When the committee members gathered in the Bank on January 8, it was already clear that December's consensus had cracked. Officials sensed rising tension as the dissenters prepared to rebel.

Just after 11am, Eddie George, the governor, asked each committee member in turn whether they agreed that interest rates should remain at 7.25 per cent for a second successive month. The other Bank insiders - deputy governor David Clement, chief economist Mervyn King and executive director Ian Plenderleith - all agreed. So did Deane Julius, former chief economist at British Airways.

But the other outsiders dissented. Sir Alan Budd, until recently chief economist at the Treasury, Willem Buiter of Cambridge University and Charles Goodhart of the London School of Economics all argued that rates should rise immediately.

The agreement to keep rates on hold in December had been unanimous. But several members felt then that a further rate increase might soon be necessary. A month later, these hawks thought the case for higher rates was even stronger. As a gang of three, they decided there were enough of them to disagree openly with the majority view.

Among the doves, the other outsider, Ms Julius, has long been nervous about the deflationary impact of Asia's crisis. But it was the "insiders' block vote that determined the outcome.

The most interesting vote was that of Mr King. Seen by his fellow committee members as a leading hawk in earlier meetings, he backed Mr George's "wait and see" stance and helped win the day for the doves.

Hence the first question: is this a committee of equals? Or, to put it another way, does the governor punch above his weight? The US

experience suggests he might expect to. In recent years, Alan Greenspan, the Fed chairman, has pulled the centre of gravity of the Federal Open Markets Committee (FOMC) in a dovish direction.

During his time at the Fed, Mr Blinder said: "It was a tradition that dissent is a huge deal, and that you only dissent on a really fundamental disagreement." It remains to be seen whether January's vote falls into this category or whether the Bank is simply developing a more relaxed approach to the second question.

Appearances aside, does the natural desire to reach a consensus within a committee matter? Committees - and especially formal ones - tend to adopt compromise positions on difficult questions; and they will often display considerable inertia when it comes to making policy changes.

Mr Blinder argues that the Fed is no exception, notwithstanding the power of its chairman. And in a central bank, inertia means that policy remains too tight for too long, and too loose for too long. Gordon Brown, the UK chancellor of the exchequer, has let it be known that he would have preferred the Bank to raise rates faster than it has.

This phenomenon may help to explain a couple of puzzling and often conveniently ignored characteristics of independent central banks, which often set monetary policy by committee. Independent central banks preside over deeper recessions and reduce inflation at greater cost to jobs and incomes than politically subservient central banks.

So far, Britain's new monetary policy arrangements have behaved quite at odds with conventional wisdom. The UK now has technocrats less willing to raise interest rates than an elected chancellor of the exchequer and an inner circle of central bankers who are more reluctant still.

But when one remembers that policy is being made by a committee, perhaps still nervous of its mandate, this behaviour is not as puzzling as it might at first appear.

Gillian Tett assesses the impact of the most colourful and controversial sport in the winter Olympics - snowboarding

The new kids on the slopes

They ride. They "shred". They provoke horror from grown-up skiers. This week the stars of the youthful sport of snowboarding took their rebellion on to the international stage.

It started innocuously enough. Last Sunday Ross Rebagliati, a 26-year-old Canadian from the town of Whistler, was awarded the Gold medal at the first ever Olympic snowboard slalom. He promptly dedicated it to the memory of "Lumpy", a snowboarding friend who had died in an avalanche.

So far, so heart-warming - at least for the organisers who had invited the sport in to give the Games a blaze of youthful colour. But on Wednesday the blaze of colour was on the International Olympic Committee's red faces, when the IOC announced it had found traces of marijuana in Mr Rebagliati's urine and stripped him of his medal.

Depending on your point of view, this was either outrageous or what might have been expected. Members of the Committee

were outraged. Those who knew something about snowboarding, were not surprised: the sport has long had a party-loving image.

When Gian Simmen, the Swiss snowboarder, won a gold medal on Thursday, he said the first thing he would do was take a surfing holiday in Hawaii. Last week Martin Frensdorff, an Austrian snowboarder who is fond of competing in a gorilla suit, was thrown out of the Games for drunken driving. He had been joyriding on an Olympic snow mobile.

The kids fought back. The Canadian Olympic delegation appealed against the ruling, arguing what any snowboarder already knew: marijuana is a relaxant. "It has absolutely no performance enhancing effect in the sport of giant slalom snowboarding," said Carole Anne Lethen, of the Canadian Olympic Association.

An independent panel agreed,



accepting Mr Rebagliati's argument that the offending marijuana traces came from passive smoking at a leaving party in Whistler (a place where, says Mr Rebagliati, dope is four times stronger than usual). The IOC handed the medal back.

The tale was embarrassing

enough for the Olympic dignitaries. But it has raised a larger issue about the Olympic dream. For the reason why snowboarding was included at all in this year's games was to make the tradition-bound Games move with the times. The question now is whether the Olympics can

find a way to appeal to a younger, rowdier generation. The Olympic organisers badly need to try. Snowboarding only started three decades ago in America, but it has since exploded in popularity. Banno Triendl of the International Ski Federation, believes snowboarders will outnumber skiers on the slopes in six years.

The attractions are clear to anyone who has tried the sport. Unlike skiing, snowboarding does not require bulky equipment. A reasonable competence can be reached within a few days. And boarders claim that the experience of whizzing sideways through snow unencumbered by poles is liberating.

"Initially, traditional ski manufacturers thought boarding was a flash in the pan," says Victoria Melendez of Morgan Stanley Dean Witter in London. "Now they realise it's here to stay." Which is lucky for them. Since

the early 1990s, ski sales have been sliding faster than a downhill racer. Industry analysts expect only 4m skis to be shipped to retailers worldwide this year, compared with 6.5m skis in 1992. At the same time, snowboard shipments have jumped from 350,000 to 2m.

Given that money talks loudly in the Olympic movement, the commercial potential of snowboarding may well have weighed heavily with the IOC when it chose to give the sport Olympic status. But when the boarders turned up last weekend, sporting teeth braces, goatee beards and grunge clothes, they were hardly the traditional polished products of million-dollar marketing campaigns. The half-pipe competition - a snowy version of skateboarding - took place to the sound of deafening pop music. "For the first time ever we have decided to allow the contestants to choose their favourite music,"

boomed the official commentator. "But, hey! This is the Olympics - whoah!" The 10,000 strong crowd screamed with abandon. But behind the noise was an ironic truth - the free-wheeling nature of snowboarding brings it closer to the original Olympic amateur sporting ideal than many better known contests.

Snowboarders hugged each other as they came off the slopes. They clapped each others' turns with good humour. And they rallied round Mr Rebagliati. "It was the IOC that invited us in here, and if they are now trying to make an example of us that is ridiculous," insisted Tara Teigen, another Canadian.

Smoothing over this week's events will not be easy. The IOC is embarrassed. The snowboarders are irritated. If snowboarding can be brought into the games, it will enrich them. If it cannot, the games could lose appeal in a fast-growing market. Either way, the snowboarders cannot be ignored. Additional reporting by Patrick Harverson

COMMODITIES AND AGRICULTURE

Asia crisis takes toll on oil results

MARKETS REPORT

By Robert Corzine and Paul Solman

The extent to which the Asian economic crisis is affecting oil demand became clearer this week when Royal Dutch/Shell, the world's largest oil giant, reported its fourth-quarter results. It said the fall-off in demand for oil was most apparent in Indonesia and Thailand.

Although Shell still sees overall growth in Asian demand this year, it is likely to be a modest 3-4 per cent, rather than the 8 per cent or so seen in recent years.

The impact of the Asian crisis is one of the factors behind the steep fall in oil prices, which this week touched 46-month lows.

But it is fears of a global glut that is keeping the downward pressure on prices, which on Thursday fell to \$14.50 for Brent Blend for March delivery, the international benchmark. Prices firmed somewhat yesterday, with Brent quoted at about \$14.66 in late trading on the London International Petroleum Exchange.

The modest rise came as traders covered their positions ahead of the long US holiday weekend, but overall sentiment remained gloomy.

The bearish outlook was reflected in the latest monthly oil market report from the International Energy Agency, which monitors oil markets on behalf of the mainly western industrialised countries. It warned this week that even without Iraqi exports, global production "could well exceed projected demand in each of the first two quarters".

On the London Metal Exchange, precious metals drifted higher in lacklustre trading. Silver was "fixed" at \$7.05 an ounce compared with the previous price of \$7, while the spot price closed at \$7.13-\$7.18 an ounce against the previous close of \$7.05-\$7.10.

The afternoon gold fix of \$299.15 an ounce was also slightly higher than the morning fix of \$298.00.

Cocoa futures on the London International Financial Exchange rallied to halt the week-long slide. The March contract closed up 23 at \$996 a tonne after Thursday's 11-month lows. Coffee futures erased early losses and the March contract ended up 25¢ at \$1.757 a tonne.

The modest rise came as traders covered their positions ahead of the long US holiday weekend, but overall sentiment remained gloomy.

The bearish outlook was reflected in the latest monthly oil market report from the International Energy Agency, which monitors oil markets on behalf of the mainly western industrialised countries. It warned this week that even without Iraqi exports, global production "could well exceed projected demand in each of the first two quarters".

On the London Metal Exchange, precious metals drifted higher in lacklustre trading. Silver was "fixed" at \$7.05 an ounce compared with the previous price of \$7, while the spot price closed at \$7.13-\$7.18 an ounce against the previous close of \$7.05-\$7.10.

The afternoon gold fix of \$299.15 an ounce was also slightly higher than the morning fix of \$298.00.

Cocoa futures on the London International Financial Exchange rallied to halt the week-long slide. The March contract closed up 23 at \$996 a tonne after Thursday's 11-month lows. Coffee futures erased early losses and the March contract ended up 25¢ at \$1.757 a tonne.

The modest rise came as traders covered their positions ahead of the long US holiday weekend, but overall sentiment remained gloomy.

The bearish outlook was reflected in the latest monthly oil market report from the International Energy Agency, which monitors oil markets on behalf of the mainly western industrialised countries. It warned this week that even without Iraqi exports, global production "could well exceed projected demand in each of the first two quarters".

On the London Metal Exchange, precious metals drifted higher in lacklustre trading. Silver was "fixed" at \$7.05 an ounce compared with the previous price of \$7, while the spot price closed at \$7.13-\$7.18 an ounce against the previous close of \$7.05-\$7.10.

The afternoon gold fix of \$299.15 an ounce was also slightly higher than the morning fix of \$298.00.

Cocoa futures on the London International Financial Exchange rallied to halt the week-long slide. The March contract closed up 23 at \$996 a tonne after Thursday's 11-month lows. Coffee futures erased early losses and the March contract ended up 25¢ at \$1.757 a tonne.

The modest rise came as traders covered their positions ahead of the long US holiday weekend, but overall sentiment remained gloomy.

The bearish outlook was reflected in the latest monthly oil market report from the International Energy Agency, which monitors oil markets on behalf of the mainly western industrialised countries. It warned this week that even without Iraqi exports, global production "could well exceed projected demand in each of the first two quarters".

On the London Metal Exchange, precious metals drifted higher in lacklustre trading. Silver was "fixed" at \$7.05 an ounce compared with the previous price of \$7, while the spot price closed at \$7.13-\$7.18 an ounce against the previous close of \$7.05-\$7.10.

The afternoon gold fix of \$299.15 an ounce was also slightly higher than the morning fix of \$298.00.

Cocoa futures on the London International Financial Exchange rallied to halt the week-long slide. The March contract closed up 23 at \$996 a tonne after Thursday's 11-month lows. Coffee futures erased early losses and the March contract ended up 25¢ at \$1.757 a tonne.

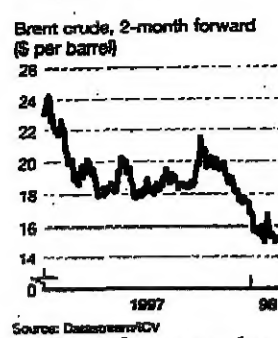
The modest rise came as traders covered their positions ahead of the long US holiday weekend, but overall sentiment remained gloomy.

The bearish outlook was reflected in the latest monthly oil market report from the International Energy Agency, which monitors oil markets on behalf of the mainly western industrialised countries. It warned this week that even without Iraqi exports, global production "could well exceed projected demand in each of the first two quarters".

On the London Metal Exchange, precious metals drifted higher in lacklustre trading. Silver was "fixed" at \$7.05 an ounce compared with the previous price of \$7, while the spot price closed at \$7.13-\$7.18 an ounce against the previous close of \$7.05-\$7.10.

The afternoon gold fix of \$299.15 an ounce was also slightly higher than the morning fix of \$298.00.

Oil price



Source: Datastream/World Bank

LME warehouse stocks

| | Tonnes | Change |
|-----------|---------|--------|
| Aluminium | 567,876 | -1,025 |
| Copper | 43,140 | - |
| Lead | 398,025 | -75 |
| Nickel | 107,925 | -100 |
| Zinc | 484,500 | -1,450 |
| Tin | 11,000 | -115 |

* Thursday's close

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY (\$ per tonne)

| | Cash | 3 months |
|----------------------|-------------|-----------|
| Close | 1493-94 | 1508-08.5 |
| Previous | 1497.5-98.5 | 1510-11 |
| High/Low | 1519/1504 | 1519/1504 |
| AM Official | 1493-93.5 | 1508-08.5 |
| Kerb close | 1504-05 | 1504-05 |
| Open int. | 257,636 | 257,636 |
| Total daily turnover | 73,348 | 73,348 |

■ ALUMINIUM ALLOY (\$ per tonne)

| | Close | Previous |
|----------------------|---------|----------|
| High/Low | 1308-08 | 1325-30 |
| AM Official | 1302-07 | 1320-30 |
| Kerb close | 1296-97 | 1321-22 |
| Open int. | 5,544 | 5,544 |
| Total daily turnover | 1,248 | 1,248 |

■ LEAD (\$ per tonne)

| | Close | Previous |
|----------------------|-----------|------------|
| High/Low | 510.5-1.5 | 509-7 |
| AM Official | 506.5-7.5 | 521-22 |
| Kerb close | 505.5-7.5 | 522.5-23.0 |
| Open int. | 32,957 | 32,957 |
| Total daily turnover | 3,088 | 3,088 |

■ NICKEL (\$ per tonne)

| | Close | Previous |
|----------------------|---------|-----------|
| High/Low | 5618-25 | 5700-10 |
| AM Official | 5635-35 | 5720-30 |
| Kerb close | 5675-50 | 5750/5640 |
| Open int. | 5675-50 | 5685-65 |
| Total daily turnover | 18,824 | 5710-20 |

■ TIN (\$ per tonne)

| | Close | Previous |
|----------------------|---------|----------|
| High/Low | 5155-65 | 5195-200 |
| AM Official | 5155-65 | 5195-200 |
| Kerb close | 5155-65 | 5195-200 |
| Open int. | 13,070 | 13,070 |
| Total daily turnover | 5,196 | 5,196 |

■ ZINC, special high grade (\$ per tonne)

| | Close | Previous |
|----------------------|-------------|-----------|
| High/Low | 1057.5-58.5 | 1082-83 |
| AM Official | 1054.5-58.5 | 1079-80 |
| Kerb close | 1055-55 | 1077/1070 |
| Open int. | 1055-55 | 1070-80 |
| Total daily turnover | 71,280 | 1081-82 |

■ COPPER, grade A (\$ per tonne)

| | Close | Previous |
|----------------------|-------------|-----------|
| High/Low | 1673.5-74.5 | 1699-700 |
| AM Official | 1669.5-74.5 | 1715-16 |
| Kerb close | 1675-74 | 1717/1695 |
| Open int. | 148,881 | 1702-83 |
| Total daily turnover | 37,566 | 1255-95 |

■ LME AMERICAN 2 1/2% RATE 1.6383

LME Closing 2 1/2% rate 1.6383

Sep 1.6383 1.6383 1.6383 1.6383 1.6383

Total 31,780/161,947

■ HIGH GRADE COPPER (COMEX)

| | Close | Previous |
|----------------------|-------|----------|
| High/Low | 75.70 | 75.70 |
| AM Official | 75.70 | 75.70 |
| Kerb close | 75.70 | 75.70 |
| Open int. | 75.70 | 75.70 |
| Total daily turnover | 4,976 | 71,761 |

PRECIOUS METALS

LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz) \$ price

| | Close | Previous |
|----------------------|--------|----------|
| High/Low | 298.00 | 298.00 |
| AM Official | 298.00 | 298.00 |
| Kerb close | 298.00 | 298.00 |
| Open int. | 298.00 | 298.00 |
| Total daily turnover | 298.00 | 298.00 |

Silver (Troy oz) \$ price

| | Close | Previous |
|----------------------|-------|----------|
| High/Low | 7.05 | 7.05 |
| AM Official | 7.05 | 7.05 |
| Kerb close | 7.05 | 7.05 |
| Open int. | 7.05 | 7.05 |
| Total daily turnover | 7.05 | 7.05 |

Platinum (Troy oz) \$ price

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Palladium (Troy oz) \$ price

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Gold (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Silver (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Platinum (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Palladium (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Gold (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Silver (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Platinum (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Palladium (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Gold (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Silver (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Platinum (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Palladium (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Gold (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Unallocated Silver (\$ per tonne)

| | Close | Previous |
|----------------------|----------|----------|
| High/Low | 1,000.00 | 1,000.00 |
| AM Official | 1,000.00 | 1,000.00 |
| Kerb close | 1,000.00 | 1,000.00 |
| Open int. | 1,000.00 | 1,000.00 |
| Total daily turnover | 1,000.00 | 1,000.00 |

Precious Metals continued

■ GOLD COMEX (100 Troy oz; \$/Troy oz)

| | Close | Previous |
|----------------------|-------|----------|
| High/Low | 300.6 | 300.5 |
| AM Official | 300.6 | 300.5 |
| Kerb close | 300.6 | 300.5 |
| Open int. | 300.6 | 300.5 |
| Total daily turnover | 300.6 | 300.5 |

■ PLATINUM NYMEX (50 Troy oz; \$/Troy oz)

| | Close | Previous |
|----------------------|-------|----------|
| High/Low | 387.5 | 387.5 |
| AM Official | 387.5 | 387.5 |
| Kerb close | 387.5 | 387.5 |
| Open int. | 387.5 | 387.5 |
| Total daily turnover | 387.5 | 387.5 |

■ PALLADIUM NYMEX (100 Troy oz; \$/Troy oz)

| | Close | Previous |
|----------------------|-------|----------|
| High/Low | 238.0 | 238.0 |
| AM Official | 238.0 | 238.0 |
| Kerb close | 238.0 | 238.0 |
| Open int. | 238.0 | 238.0 |
| Total daily turnover | 238.0 | 238.0 |

■ SILVER COMEX (5,000 Troy oz; \$/Troy oz)

| | Close | Previous |
|----------------------|-------|----------|
| High/Low | 708.0 | 708.0 |
| AM Official | 708.0 | 708.0 |
| Kerb close | 708.0 | 708.0 |
| Open int. | 708.0 | 708.0 |
| Total daily turnover | 708.0 | 708.0 |

CURRENCIES AND MONEY

Yen slides

MARKETS REPORT

By Simon Kuper

The yen was hit yesterday by growing belief that Japan's fiscal stimulus package next Friday would be smaller than previously thought.

Larry Summers, US deputy treasury secretary, had warned late on Thursday that Japan must offer more than "virtual policy" to stimulate. Mark Cliffe, chief international economist at HSBC Markets in London, said: "There has been an open month campaign by the Japanese to talk the yen up, to promise all sorts of things in quite a vague way. In the mean time the economy is struggling." Japanese household spending fell 5.0 per cent year-on-year in December, more than anticipated.

Most Asian stock markets fell, including the Nikkei, and the yen also suffered from news that Moody's, the

US rating agency, had downgraded Daiwa Bank.

The D-Mark also dropped against the dollar, hurt by a 'Spanish interest rate cut and the German economics ministry's comment that its economy had slowed toward the end of last year.

The dollar, by contrast, benefited from signs that the US economy remained on track. January import prices fell, and February consumer confidence rose. Robert Lynch, currency strategist at

JP Morgan in New York, said: "There has been an open month campaign by the Japanese to talk the yen up, to promise all sorts of things in quite a vague way. In the mean time the economy is struggling." Japanese household spending fell 5.0 per cent year-on-year in December, more than anticipated.

Most Asian stock markets fell, including the Nikkei, and the yen also suffered from news that Moody's, the



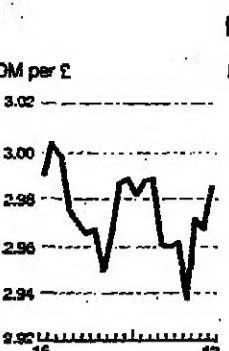
Source: Reuters



Source: Reuters



Source: Reuters



Source: Reuters

day US trading. The D-Mark fell 1.4 pence against the dollar to DM1.824.

The Swiss National Bank showed its desire to restrain the Swiss franc, which has been propelled to a two-year high against the D-Mark largely by fears of war in Iraq. The bank injected money market funds at 0.75 per cent, 25 basis points below its discount rate. One trader commented: "The SNB was trying to put people to take the Swiss

franc away in wheelbarrows." But the currency fell just 0.1 centimes against the D-Mark to Sfr6.803.

The Bank of Spain left its money market interest rate by 25 basis points to 4 per cent. The cut has been expected, particularly after January data had shown inflation running just 2.0 per cent a year.

The interest rate question is still 120 basis points above the German rate. However, yesterday's cut

helped feed the view that European interest rates would converge at relatively low levels ahead of monetary union. The peseta closed barely changed at Ptas4.80 to the D-Mark.

The Indonesian rupiah has been active. It plummeted with the Jakarta stock market after the ruling Golkar party announced Yusuf Habibie as its candidate for vice president. Mr Habibie favours expensive prestige projects and

opposes trade deregulation. However, the rupiah recovered from its low of Rp8,800 to the dollar as Indonesia moved closer towards pegging its currency against the will of the International Monetary Fund. The central bank said it was in talks aimed at creating a currency board, which is expected to set a rate for the rupiah of about Rp8,900 against the dollar. Late yesterday the rupiah was trading in a spread as wide as Rp8,900/Rp8,700.

WORLD INTEREST RATES

MONEY RATES

| February 13 | Over night | One month | Three months | Six months | One year | Long term | Dis. rate | Repo rate |
|-------------|------------|-----------|--------------|------------|----------|-----------|-----------|-----------|
| Belgium | 3% | 3% | 3% | 3% | 3% | 6.00 | 2.75 | - |
| France | 3% | 3% | 3% | 3% | 3% | 4.50 | 2.50 | 3.30 |
| Germany | 3% | 3% | 3% | 3% | 3% | 4.50 | 2.50 | 3.30 |
| Italy | 6% | 6% | 6% | 6% | 6% | 7.00 | 5.50 | 6.25 |
| Netherlands | 3% | 3% | 3% | 3% | 3% | 4.50 | 2.50 | 3.30 |
| Switzerland | 3% | 3% | 3% | 3% | 3% | 4.50 | 2.50 | 3.30 |
| US | 5% | 5% | 5% | 5% | 5% | 6.00 | - | - |
| Japan | 5% | 5% | 5% | 5% | 5% | 6.00 | - | - |

LIBOR FT London

| Bank | 3m | 6m | 9m | 12m |
|------------|------|------|------|------|
| Barclays | 5.35 | 5.40 | 5.45 | 5.50 |
| HSBC | 5.35 | 5.40 | 5.45 | 5.50 |
| London | 5.35 | 5.40 | 5.45 | 5.50 |
| Midland | 5.35 | 5.40 | 5.45 | 5.50 |
| NatWest | 5.35 | 5.40 | 5.45 | 5.50 |
| Paribas | 5.35 | 5.40 | 5.45 | 5.50 |
| Royal Bank | 5.35 | 5.40 | 5.45 | 5.50 |
| Santander | 5.35 | 5.40 | 5.45 | 5.50 |
| TSB | 5.35 | 5.40 | 5.45 | 5.50 |
| Windsor | 5.35 | 5.40 | 5.45 | 5.50 |

The FT intends to replace the Libor FT London interest rate with the BBA London rate on 2/3/98. Any comments should be sent to Market Data, Financial Editor, at the FT. Rate data is shown for the domestic money market. US, UK, ECU & SDR Linked Deposits (Rate)

EURO CURRENCY INTEREST RATES

| February 13 | 3m | 6m | 9m | 12m | 3m | 6m | 9m | 12m |
|-----------------|----|----|----|-----|----|----|----|-----|
| Belgium Franc | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Danish Krone | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| German Mark | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Irish Punt | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| French Franc | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Portuguese Esc | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Spanish Peseta | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Swedish Krona | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Swiss Franc | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Canadian Dollar | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| US Dollar | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Italian Lira | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Japanese Yen | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Asian S\$ | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |

Short term rates are for the US dollar and yen, others two days notice.

THREE MONTH EURO FUTURES (MATIF) Paris

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|-------|-------|--------|-------|-------|----------|-----------|
| Mar | 96.42 | 96.42 | +0.01 | 96.43 | 96.41 | 70,287 | 70,287 |
| Jun | 96.30 | 96.31 | -0.01 | 96.33 | 96.29 | 7,597 | 33,023 |
| Sep | 96.17 | 96.18 | -0.01 | 96.19 | 96.16 | 3,713 | 28,291 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) DM1m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

ONE MONTH EURO DOLLAR FUTURES (LFFE) DM1m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| Mar | Open | Sett | Change | High | Low | Est. vol | Open int. |
|-----|--------|--------|--------|--------|--------|----------|-----------|
| Mar | 96.450 | 96.450 | - | 96.470 | 96.430 | 33,874 | 37,609 |
| Jun | 96.300 | 96.310 | -0.01 | 96.330 | 96.290 | 3,501 | 35,565 |
| Sep | 96.150 | 96.160 | -0.01 | 96.180 | 96.140 | 3,725 | 29,568 |
| Dec | 95.950 | 95.970 | -0.02 | 95.990 | 95.930 | 3,359 | 30,589 |

THREE MONTH EURO DOLLAR FUTURES (LFFE) L1000m points of 100%

| | | | | | | |
|--|------|------|------|------|------|------|
| 9925 | 0.01 | 0.02 | 0.02 | 0.35 | 0.47 | 0.59 |
| Est. vol. total, Calls 1250 Puts 700. Previous day's open int., Calls 7550 Puts 3445 | | | | | | |

UNIT TRUSTS

WINNERS AND LOSERS

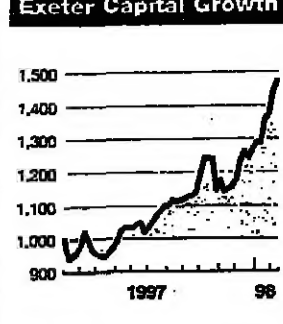
TOP FIVE OVER 1 YEAR

| | |
|------------------------------|-------|
| Exeter Capital Growth | 1,472 |
| Old Mutual Swiss Equities | 1,420 |
| Royal London European Growth | 1,397 |
| Fleming Select American | 1,364 |
| CF Shaw Utilities | 1,349 |

BOTTOM FIVE OVER 1 YEAR

| | |
|--------------------------------|-----|
| Save & Prosper Gold & Exp | 408 |
| Save & Prosper Korea | 441 |
| HSBC Singapore & Malaysian Gth | 444 |
| Fidelity ASEAN | 454 |
| Samwa Asian Growth | 455 |

Exeter Capital Growth



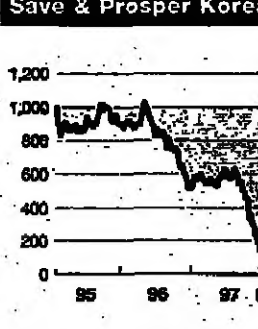
TOP FIVE OVER 3 YEARS

| | |
|-------------------------------|-------|
| NatWest UK Smaller Cos | 2,789 |
| GA North America Growth | 2,599 |
| Johnson Fry Slater Growth | 2,532 |
| Save & Prosper Financial Secs | 2,343 |
| Hill Samuel US Smaller Cos | 2,307 |

BOTTOM FIVE OVER 3 YEARS

| | |
|------------------------------|-----|
| Save & Prosper Korea | 277 |
| Old Mutual Thailand Acc | 306 |
| Schroder Seoul | 325 |
| Baring Korea | 336 |
| Schroder Japan Small Cos Acc | 484 |

Save & Prosper Korea



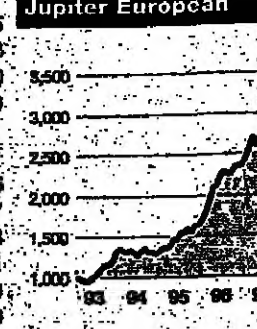
TOP FIVE OVER 5 YEARS

| | |
|----------------------------|-------|
| Jupiter European | 3,145 |
| Old Mutual European | 3,065 |
| Bartmore European Sel Opps | 2,990 |
| Exeter Capital Growth | 2,970 |
| North America Growth | 2,951 |

BOTTOM FIVE OVER 5 YEARS

| | |
|------------------------------|-----|
| Save & Prosper Korea | 227 |
| Old Mutual Thailand Acc | 306 |
| Schroder Seoul | 325 |
| Baring Korea | 336 |
| Schroder Japan Small Cos Acc | 484 |

Jupiter European



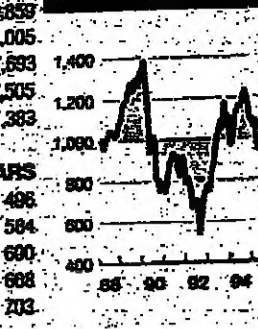
TOP FIVE OVER 10 YEARS

| | |
|----------------------------|--------|
| F&L US Small Companies | 10,853 |
| Hill Samuel US Smaller Cos | 9,005 |
| Framlington Health | 7,593 |
| Bartmore American Sel Opps | 7,505 |
| Aberdeen Profit Technology | 7,393 |

BOTTOM FIVE OVER 10 YEARS

| | |
|-----------------------------|-----|
| Barclays Japan Inc | 486 |
| Baring Japan Sunrise | 584 |
| M&G Japan Acc | 584 |
| Henderson Japan Smaller Cos | 668 |
| Invesco Japan Growth | 703 |

M&G Japan



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Source: REUTERS (Tel: 01625 511311)

Indices

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-----------------------------|------------|------|------|------|------------|-----------|
| Average Unit Trust | 1071 | 1435 | 1688 | 3070 | 3.4 | 2.4 |
| Average Investment Trust | 1149 | 1500 | 1975 | 3552 | 4.8 | 4.7 |
| Bank | 1040 | 1116 | 1189 | 1801 | 0.0 | 5.7 |
| Building Society | 1037 | 1112 | 1201 | 1801 | 0.0 | 5.4 |
| Stockmarket: FTSE All-Share | 1276 | 1676 | 2210 | 4114 | 2.9 | 2.9 |
| Inflation | 1033 | 1092 | 1157 | 1538 | 0.3 | - |

UK Growth

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-------------------------------|------------|------|------|------|------------|-----------|
| Johnson Fry Slater Growth | 1134 | 2532 | 2857 | 4975 | 2.8 | 0.8 |
| Old Mutual Growth | 1226 | 2175 | 2992 | 2764 | 2.4 | 0.8 |
| River & Mercantile 1st Growth | 1251 | 2015 | 2668 | - | 2.8 | 1.0 |
| Mercury Recovery | 1061 | 2013 | 2087 | 2620 | 2.9 | 1.6 |
| SECTOR AVERAGE | 1151 | 1699 | 1981 | 3005 | 2.7 | 1.6 |

UK Growth & Income

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|---------------------------------|------------|------|------|------|------------|-----------|
| Fleming Select UK Income | 1340 | 2018 | 2408 | 3470 | 2.6 | 2.7 |
| Britannia UK General Inc | 1198 | 1867 | 1996 | 2816 | 2.7 | 2.7 |
| Perpetual Income | 1227 | 1864 | 2468 | 4023 | 2.7 | 3.4 |
| HSBC Footsie Fund | 1326 | 1847 | 2086 | - | 3.0 | 1.7 |
| Legal & General UK Stockmkt Acc | 1324 | 1842 | - | - | 3.0 | 0.5 |
| SECTOR AVERAGE | 1199 | 1683 | 1945 | 3150 | 2.6 | 2.3 |

UK Smaller Companies

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|--------------------------------|------------|------|------|------|------------|-----------|
| NatWest UK Smaller Cos | 1097 | 2789 | - | - | 3.5 | 1.1 |
| Gartmore UK Smaller Companies | 1102 | 2226 | 2707 | 3030 | 3.3 | 0.2 |
| Laurence Keen Smaller Cos | 1090 | 2088 | - | - | 2.9 | 1.4 |
| Schroder Smaller Companies Inc | 1067 | 1981 | 2518 | 2987 | 3.0 | 0.9 |
| AES Smaller Companies | 1050 | 1978 | 2258 | - | 3.0 | 1.0 |
| SECTOR AVERAGE | 998 | 1530 | 1857 | 2355 | 2.9 | 1.5 |

UK Equity Income

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|------------------------------|------------|------|------|------|------------|-----------|
| Jupiter Income | 1140 | 2038 | 2852 | 4857 | 2.2 | 3.9 |
| BWD UK Equity Income | 1230 | 1875 | 2438 | 3294 | 2.4 | 3.0 |
| Britannia High Yield Inc | 1213 | 1852 | 2263 | 4252 | 2.5 | 3.4 |
| Newton Higher Income | 1264 | 1830 | 1830 | 3528 | 2.6 | 3.9 |
| Royal & SunAll Equity Income | 1236 | 1830 | 2222 | 3521 | 2.7 | 3.8 |
| SECTOR AVERAGE | 1188 | 1649 | 1961 | 3086 | 2.4 | 4.0 |

UK Equity & Bond Income

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-----------------------------|------------|------|------|------|------------|-----------|
| Aberdeen Profit Ex Income | 1178 | 1718 | 1957 | 2947 | 2.4 | 4.0 |
| HSBC High Income | 1209 | 1707 | - | - | 2.0 | 5.6 |
| CIS UK Income | 1241 | 1680 | 1638 | - | 2.5 | 3.3 |
| Edinburgh High Distribution | 1214 | 1678 | 1665 | 2393 | 2.4 | 3.5 |
| Midland Monthly Income | 1217 | 1635 | - | - | 2.2 | 3.9 |
| SECTOR AVERAGE | 1138 | 1491 | 1768 | 2591 | 2.1 | 5.0 |

UK Fixed Interest

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-----------------------------|------------|------|------|------|------------|-----------|
| Aberdeen Profit Ex Income | 1178 | 1718 | 1957 | 2947 | 2.4 | 4.0 |
| HSBC High Income | 1209 | 1707 | - | - | 2.0 | 5.6 |
| CIS UK Income | 1241 | 1680 | 1638 | - | 2.5 | 3.3 |
| Edinburgh High Distribution | 1214 | 1678 | 1665 | 2393 | 2.4 | 3.5 |
| Midland Monthly Income | 1217 | 1635 | - | - | 2.2 | 3.9 |
| SECTOR AVERAGE | 1138 | 1491 | 1768 | 2591 | 2.1 | 5.0 |

UK Gift

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|------------------------------|------------|------|------|------|------------|-----------|
| Baring Exempt Fixed Interest | 1162 | 1466 | - | - | 2.0 | 8.1 |
| M&G Gift & Fixed Interest | 1135 | 1385 | 1550 | 2130 | 1.8 | 5.6 |
| Mercury Long-Dated Bond | 1126 | 1371 | - | - | 2.2 | 4.8 |
| Gartmore PS Fixed Interest | 1128 | 1358 | 1491 | - | 1.7 | 6.8 |
| Murray Acumen Reserve | 1106 | 1345 | 1438 | - | 1.5 | 8.1 |
| SECTOR AVERAGE | 1083 | 1286 | 1348 | 2045 | 1.4 | 5.5 |

International Equity Income

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-----------------------------|------------|------|------|------|------------|-----------|
| GT International Income Inc | 1237 | 1880 | 1883 | 3648 | 2.6 | 2.0 |
| Martin Currie Int'l Income | 1134 | 1607 | 1878 | - | 2.7 | 4.0 |
| M&G International Income | 1136 | 1501 | 1701 | 3337 | 2.7 | 4.0 |
| Premier Global 100 | 1073 | 1461 | 1536 | 1996 | 3.3 | 0.6 |
| Mayflower Global Income | 1162 | 1451 | 1600 | 2748 | 2.3 | 2.5 |
| SECTOR AVERAGE | 1124 | 1508 | 1713 | 2870 | 2.8 | 2.8 |

International Fixed Interest

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|------------------------------|------------|------|------|------|------------|-----------|
| Baring Global Bond | 1038 | 1347 | 1367 | - | 1.5 | 4.8 |
| Newton International Bond | 1044 | 1291 | 1285 | - | 2.0 | 4.8 |
| AES Int'l Bond & Convertible | 1048 | 1257 | 1300 | - | 1.2 | 5.7 |
| City Financial Beckman Int'l | 1073 | 1256 | 1194 | 1894 | 2.7 | 5.8 |
| Barclays SGI Int'l Inc | 1028 | 1253 | 1258 | - | 1.0 | 5.0 |
| SECTOR AVERAGE | 1008 | 1127 | 1116 | 1774 | 1.8 | 4.8 |

International Equity & Bond

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-------------------------------|------------|------|------|------|------------|-----------|
| Fleming General Opportunities | 1184 | 1649 | 1785 | - | 1.8 | 3.1 |
| Bank of Ireland Ex Mid Growth | 1068 | 1609 | 1653 | - | 2.4 | 2.3 |
| Maria & Spencer Inv Portl Acc | 1165 | 1525 | 1742 | - | 2.3 | 2.0 |
| NPI Worldwide Income Inc | 1114 | 1516 | 1673 | - | 2.7 | 1.5 |
| GA Income Portfolio | 1135 | 1502 | 1708 | - | 2.9 | 2.5 |
| SECTOR AVERAGE | 1097 | 1397 | 1573 | 2355 | 2.2 | 2.5 |

International General

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|---------------------------|------------|------|------|----|------------|-----------|
| Personal Assets | 1344 | 2114 | 2418 | - | 2.0 | 1.7 |
| Scottish Investment | 1242 | 1815 | 2038 | 13 | 2.3 | 2.3 |
| Majestic | 1223 | 1798 | 2137 | 12 | 2.8 | 2.8 |
| Baring Tribune | 1164 | 1746 | 2004 | 13 | 3.2 | 2.0 |
| Law Debenture Corporation | 1285 | 1724 | 2204 | - | 3.6 | 3.2 |
| SECTOR AVERAGE | 1223 | 1647 | 1978 | - | 3.0 | 2.4 |

North America

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|----------------------------|------------|------|------|----|------------|-----------|
| Fleming American | 1484 | 2059 | 2117 | 7 | 4.3 | 0.8 |
| North Atlantic Smaller Cos | 1318 | 2002 | 2098 | 10 | 4.4 | - |
| Edinburgh US Track 25p | 1419 | 1963 | 2063 | 5 | 4.4 | 1.0 |
| US Smaller Companies | 1322 | 1838 | 1823 | 13 | 4.8 | - |
| American Opportunity | 1257 | 1760 | 1947 | 9 | 6.1 | - |
| SECTOR AVERAGE | 1161 | 1783 | 2012 | - | 5.0 | 1.1 |

Continental Europe

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-----------------------------|------------|------|------|----|------------|-----------|
| TR European Growth | 1102 | 2090 | 3746 | 5 | 3.8 | 0.6 |
| Gartmore European | 1313 | 2033 | 2624 | 1 | 4.4 | 0.7 |
| Henderson EuroTrust (Units) | 1284 | 2030 | 2335 | 11 | 4.8 | 1.1 |
| Fidelity European Values | 1263 | 1923 | 2917 | 1 | 3.5 | 0.2 |
| Foreign & Col EuroTrust | 1270 | 1891 | 2150 | 5 | 3.7 | 0.4 |
| SECTOR AVERAGE | 1177 | 1785 | 2362 | - | 4.0 | 0.9 |

Pan Europe

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|--------------------------------|------------|------|------|----|------------|-----------|
| Kleinwort Charter | 1273 | 2122 | 2818 | 12 | 4.4 | 1.9 |
| Mercury European Privatisation | 1265 | 1814 | - | 11 | 3.2 | 2.0 |
| SECTOR AVERAGE | 1259 | 1998 | 2818 | - | 3.8 | 2.0 |

FE Inc Japan

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|---------------------------|------------|-----|------|----|------------|-----------|
| Henderson Far East Income | 732 | 989 | 1117 | 5 | 6.8 | 6.8 |
| Martin Currie Pacific | 795 | 942 | 1263 | 14 | 6.6 | 0.9 |
| Foreign & Col Pacific | 785 | 863 | 1201 | 17 | 6.3 | 1.9 |
| Govest Oriental | 648 | 612 | 995 | 12 | 6.3 | 0.9 |
| SECTOR AVERAGE | 754 | 852 | 1144 | - | 6.5 | 2.5 |

Japan

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-----------------------|------------|-----|------|----|------------|-----------|
| GT Japan | 989 | 823 | 1058 | 8 | 6.3 | 0.3 |
| Baillie Gifford Japan | 1091 | 828 | 1002 | 6 | 6.9 | - |
| Schroder Japan Growth | 1117 | 732 | - | - | 7.7 | - |
| Edinburgh Japan | 995 | 719 | 1000 | 12 | 6.5 | - |
| Fleming Japanese | 943 | 699 | 948 | 8 | 6.7 | - |
| SECTOR AVERAGE | 871 | 806 | 948 | - | 7.8 | 0.3 |

Far East ex Japan, General

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|----------------------|------------|-----|-----|-----|------------|-----------|
| Pacific Horizon | 582 | 762 | 817 | 7 | 7.1 | 1.5 |
| TR Pacific | 586 | 741 | 101 | 6 | 9.0 | 0.5 |
| Hambro Smaller Asian | 503 | 717 | 18 | 8.8 | 0.6 | - |
| Aberdeen New Dawn | 587 | 653 | 83 | 14 | 6.5 | 1.7 |
| Edinburgh Dragon | 650 | 616 | 83 | 14 | 7.0 | - |
| SECTOR AVERAGE | 546 | 602 | 822 | - | 8.0 | 1.2 |

Far East ex Japan, Single Country

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|-----------------------|------------|-----|------|-----|------------|-----------|
| New Zealand | 589 | 689 | 1454 | 3 | 6.1 | 3.0 |
| Aberdeen New Trail | 534 | 467 | 607 | 6 | 8.0 | 3.5 |
| Stam Selective Growth | 548 | 385 | 602 | 5.0 | - | - |
| Korea-Europe Fund | 579 | 383 | 583 | 1 | 24.2 | 0.6 |
| Schroder Korea Fund | 536 | 341 | - | - | 13.5 | - |
| SECTOR AVERAGE | 541 | 410 | 607 | - | 12.3 | 1.9 |

Emerging Markets

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|--------------------------------|------------|------|------|----|------------|-----------|
| Baring Emerging Europe | 1119 | 2836 | - | - | 14 | 0.0 |
| Central European Growth Fund | 851 | 1552 | - | - | 17 | 0.0 |
| Templeton Latin America | 1026 | 1508 | - | - | 12 | 7.0 |
| Scudder Latin America | 1084 | 1471 | - | - | 14 | 0.7 |
| Morgan Grenfell Latin American | 976 | 1196 | - | - | 15 | 0.8 |
| SECTOR AVERAGE | 911 | 1187 | 1282 | - | 7.7 | 0.7 |

Closed End Funds

| Index | 1 year (%) | 3 | 5 | 10 | Volatility | Yield (%) |
|---------------------------|------------|------|------|----|------------|-----------|
| Exeter Preferred Capital | 1632 | 1698 | 1825 | 23 | 5.0 | 0.4 |
| Capital Gearing | 1129 | 1691 | 1942 | 3 | 2.5 | 0.1 |
| Invesco City & Commercial | | | | | | |

MANAGEMENT SERVICES

● FT Cityline Unit Trust Prices: dial 0891 430010 and key in a 5 digit code listed below. Calls are charged at 50p per minute at all times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378.

MANAGEMENT SERVICES

Money Market Trust Funds

| | Company | Real | Return | Net Ch |
|---|---------|------|--------|-----------|
| | | Gain | Gain | |
| CellKash Ltd | | | | |
| 4 Farnley Rd, West Malling, Kent ME18 4TA | | | 01,738 | 5,000,000 |
| 100% High Street Capital Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| The CONF Charities Deposit Fund | | | | |
| 3 Farnley Rd, London EC2M 4SA | | | 01,718 | 5,000,000 |
| 100% High Street Capital Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| Cent. Bd. of Fin. of Church of England | | | | |
| 3 Farnley Rd, London EC2M 4SA | | | 01,718 | 5,000,000 |
| 100% High Street Capital Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |
| 1st Nat Investment Co Ltd | 7.1% | - | 7.3% | 3 Mths |

Money Market Bank Accounts

| | China | Hong Kong | Japan | U.S. |
|---|-------|-----------|-------|------|
| American Express Bank Ltd | | | | |
| Singapore, Hong Kong, Japan, U.S. | 01223 | 002 | 002 | 002 |
| High Performance Finance Account | | | | |
| 1000-1999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 2000-2999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 3000-3999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 4000-4999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 5000-5999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 6000-6999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 7000-7999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 8000-8999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 9000-9999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 10000.00+ | 1.00 | 0.75 | 1.00 | 1.00 |
| Bank of Scotland | | | | |
| 3000-3999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 4000-4999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 5000-5999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 6000-6999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 7000-7999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 8000-8999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 9000-9999.00 | 1.00 | 0.75 | 1.00 | 1.00 |
| 10000.00+ | 1.00 | 0.75 | 1.00 | 1.00 |

| | | | | |
|-----------------------------|------|------|------|------|
| 125,000-129,999 | 8.80 | 4.40 | 5.64 | 100% |
| 130,000-134,999 | 4.25 | 3.40 | 4.33 | 100% |
| Bank of Scotland | | | | |
| 38 The Quadrant St. EC2 2SH | | | | |
| 100,000-124,999 | 6.75 | 6.40 | 6.56 | 100% |
| 125,000-149,999 | 5.25 | 4.20 | 5.26 | 100% |

| | | | | |
|------------------|------|------|------|-----|
| \$25,000-420,999 | 4.25 | 3.40 | 4.25 | Min |
| \$25,000-420,999 | 3.00 | 2.40 | 3.04 | Min |

Brown Shipley & Co Ltd
 Browns Super Centre, Llanowen, Llanelli SA2 7HE 0171 600 7540

| | | | | |
|--------------------|-------|-------|-------|-----|
| HICA | 6,000 | 4,400 | 5,615 | Min |
| CHCA | 5,750 | 4,800 | 5,804 | Min |
| Platinum Assurance | 6,875 | 5,500 | 7,090 | Min |
| Overseas F100,000+ | 7,000 | 5,600 | 7,186 | Min |

* Indicators only. Please telephone for more details.

Collier Allen Ltd
 200 Market Lane, London EC3V 9JL 0171-633 2500

| | | | | |
|--------------------|-------|------|------|-----|
| HICA | 6,000 | 4,07 | 5.11 | Min |
| CHCA | 5,000 | 4.07 | 5.11 | Min |
| Platinum Assurance | 6.50 | - | 6.69 | Min |
| Overseas F100,000+ | 6.75 | - | 6.95 | Min |

| Charterhouse Bank Limited | | 0171-248 4000 | |
|------------------------------|------|---------------|-----|
| 1 Paternoster Row, EC4M 7DH. | | | |
| £2,500-£18,000 | 0.25 | 0.38 | Min |
| £20,000-£40,000 | 0.50 | 0.64 | Min |
| £50,000-£99,000 | 0.75 | 0.80 | Min |
| £100,000+ | 0.00 | 0.17 | Min |
| £0.000-£49,999 | 2.50 | 2.50 | Min |

| | | | | |
|---------------------|------|------|------|-------|
| \$50,000-\$99,999 | 4.00 | 3.50 | 4.67 | Money |
| \$100,000-\$199,999 | 4.25 | 3.40 | 4.25 | Money |
| \$200,000+ | 4.50 | 3.80 | 4.50 | Money |

Many other currencies and deposits - for rates please
 telephone us at 2186

Clydebank Bank Current Gold Account
 30-21 Market Place, Silverdale, NSW 2128

| | | | | |
|--------------------|------|------|------|-------|
| \$1-\$49,999 | 5.75 | 4.00 | 5.48 | Money |
| \$50,000-\$99,999 | 5.75 | 4.00 | 5.00 | Money |
| \$100,000 and over | 5.75 | 4.00 | 5.00 | Money |

The Co-operative Bank
 PO Box 330, Newcastle, NSW 2300

| | | | | |
|--------------|------|---|---|--------|
| TESSA CD9000 | 7.25 | - | - | Yearly |
|--------------|------|---|---|--------|

Pastmaster - Card Based Deposit Account
 CD9000+ -

| | | | | |
|--|------|------|------|-------|
| | 8.95 | 4.54 | 5.82 | Money |
|--|------|------|------|-------|

| Time (Sec) | | | | |
|--------------------|------|------|--------|--|
| 100,000 - 1200,000 | 7.20 | 5.83 | Yearly | |
| 150,000+ | 8.72 | 5.42 | Yearly | |
| 225,000+ | 8.68 | 6.34 | Yearly | |
| 310,000+ | 8.18 | 4.84 | Yearly | |
| 35,000+ | 5.68 | 4.64 | Yearly | |
| 61,000+ | 5.18 | 4.14 | Yearly | |

| | | | | | |
|-------------|---|------|------|------|-------|
| \$250,000 | — | 0.50 | 3.20 | 6.70 | Money |
| \$500,000 | — | 0.50 | 3.20 | 6.70 | Money |
| \$750,000 | — | 0.50 | 3.20 | 6.70 | Money |
| \$1,000,000 | — | 0.50 | 3.20 | 6.70 | Money |
| \$1,250,000 | — | 0.50 | 3.20 | 6.70 | Money |
| \$1,500,000 | — | 0.50 | 3.20 | 6.70 | Money |
| \$1,750,000 | — | 0.50 | 3.20 | 6.70 | Money |
| \$2,000,000 | — | 0.50 | 3.20 | 6.70 | Money |

30-day rates available 1st 15th 25th 31st

Capital & Co
 640 Second, Linden NJ 07036
 (973) 758-1234
 Greater Companies Account for all clients except
 Rates negotiable up to 10% 0.50% — — — — —

Fidelity Money Market Account
 Fidelity Brokerage Services, Ropes and Watrous, Inc.
 Indivision Street, 1730 BBS
 \$1-\$999 — — — 2.60 2.30 2.50 0%
 \$1,000-\$9,999 — — — 5.00 4.40 5.14 0%
 \$10,000-\$24,999 — — — 6.50 6.00 6.75 0%

| | | | | |
|-----------------|-------|-------|-------|-----|
| C\$5,000-59,999 | 8.50% | 5.20% | 6.86% | 217 |
| C\$60,000+ | 6.70% | 5.36% | 6.87% | 217 |

C\$50,000+ Money Market Rates on request

Halifax Pic Reserve Cheque Acc
 Trevelyan Road, Halifax, NS B3C 2P6
 Rates for personal customers

01422 230233

[illegible]

| | | | | |
|----------------------------------|------|------|------|--------|
| Eastern Dental Assoc. (2,201) | 4.85 | 3.72 | 4.75 | Mid |
| Frontier Equip. Assoc. (2,201) | 5.20 | 4.16 | 5.33 | Mid |
| Frontier Chapter Assoc. (2,201) | 8.45 | 5.16 | 8.84 | Mid |
| 1 Midwest Mortgage (2,201) | 7.75 | 5.40 | 6.95 | Yearly |
| 3 Midwest Utilities (2,201) | 7.25 | 5.80 | 7.50 | Yearly |
| 6 Motors Assoc. (2,201 - 19,999) | 7.30 | 5.84 | 7.55 | Yearly |
| 10,000 - 24,999 | 7.40 | 5.92 | 7.56 | Yearly |
| 25,000+ | 7.50 | 6.00 | 7.76 | Yearly |

| | | | | |
|---------------------------|------|------|------|-------|
| Primer Tones \$9,000... | 7.56 | 0.00 | 7.00 | Yummy |
| Qcs-Isr \$2,000 Hc 1st... | 0.75 | | | |
| Last 2 Months ... | 7.75 | | | |

Kleinwort Benson Private Bank
 c/o Division of Klabinoff Reconn Investment Management Ltd
 PO Box 14600, London, EC3M 3JA 0171 556144
 H.I.C.A. (2,500-0) ... 0.45 0.16 0.04 Mtd

Nationwide Bldg Soc - Business Director
 Business High Interest Overlap Account
 Poppy Way, Swanton 2938 3189 0245 302918

| | | | | |
|---------------|------|------|------|----|
| C2,000-4,000 | 3.90 | 3.17 | 3.96 | On |
| 5,000-10,000 | 4.20 | 3.36 | 4.27 | On |
| 10,000-24,000 | 4.50 | 3.60 | 4.50 | On |
| 25,000-49,000 | 4.80 | 4.00 | 5.00 | On |
| 50,000+ | 5.40 | 4.32 | 5.51 | On |

| Royal Bank of Scotland plc | | | | | |
|--------------------------------|----|------|------|------|---------------|
| Corporate Money Market Account | | | | | |
| £2.51m 500m, Edinburgh D2 795 | | | | | 81.31 523.695 |
| £100,000-£249,999 | -- | 4.45 | 3.55 | 4.52 | Dir |
| £250,000-£499,999 | -- | 5.74 | 4.80 | 5.88 | Dir |
| £500,000-£999,999 | -- | 6.50 | 5.20 | 6.65 | Dir |
| £1,000,000-£1,999,999 | -- | 6.90 | 5.52 | 7.08 | Dir |

| | | | | |
|---|---------------|------|------|---------|
| \$2,000,000 - \$5,000,000 | 7.00 | 5.60 | 7.10 | Cor |
| Royal Bank of Scotland plc Private Clients Acct | | | | |
| 42 St. Andrew Square, Edinburgh EH4 2ET | 0151 523 7084 | | | |
| UK 0900 0000000 | 7.10 | 5.68 | 7.34 | Mtn |
| ESAO,0000 - 0999 9999 | 8.85 | 5.48 | 7.07 | Mtn |
| Savo & Prosper/Robert Fleming | | | | |
| 16-22 Wellington Rd, Rampton Rd, BLB | 0800 850024 | | | |
| Client Account | 5.11 | 4.06 | 5.21 | Only |
| TESSA Fixed 1 Year | 6.25 | | 6.25 | Monthly |
| TESSA Variable | 6.25 | | 6.25 | Monthly |
| Primer Acct £10,000.00 | 4.15 | 3.21 | 4.23 | Only |
| Investment Acct £2,500.00 | 6.00 | 4.80 | 6.14 | Only |
| Overseas 30 £100,000+ | 7.30 | 5.84 | 7.55 | Only |
| Overseas 30 £250,000+ | 7.30 | 5.81 | 7.55 | Only |
| J. Henry Schroder & Co Ltd (Special Account) | | | | |

United Domains Trust Ltd
PO Box 92, Herts, EN4 0DT 0181-447 2430

| Capital Plan Changes Account | | | | | |
|--|------|------|------|-------|----|
| £5,000+ | --- | 6.50 | 5.75 | 6.77 | 0% |
| United Trust Bank Ltd | | | | | |
| 1 Great Cornhill Street, London EC3M 7AL 0171-258 0094 | | | | | |
| £10,000-50 day notice | 7.50 | 5.80 | 7.19 | 3-8m | |
| £10,000-180 day notice | 7.75 | 6.30 | 7.90 | 6-18m | |

● NOTES
 Gross: Contractual rate of interest payable, net
 takes account of the deduction of basic rate

Gross CAR: Gross rate annualized to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'

Int Cr: Frequency at which interest is credited to the account.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices: dial 0800 430010 and key in a 5 digit code listed below. Calls are charged at 50p per minute at all times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378.

OFFSHORE INSURANCES

Offshore Insurances and Other Funds

Offshore Insurances and Other Funds

هكذا من الأحمق

هكذا من الأجرى

**By Philip Coggan,
Markets Editor**

When trading opened, further weakness in some of the Asian markets outweighed Wall Street's late Thursday rebound, to send the FTSE 100 index lower. At its worst, Footsie was 21.7 points lower at 5,530.8.

But some good results from the banking sector helped sentiment to revive and the market was in positive territory by 10am.

In the afternoon, the Dow Jones Industrial Average quickly lost 50 points before steadying. But the negative start in New York failed to put much of a dent in London's performance.

Footsie closed at its best level of the day, up 29.8 at 5,562.3.

although that still left it down 47 points on the week.

The FTSE 350 index, which has been outperforming all week, edged higher again, rising 53.6 points to 4,990.2. Over the week, it gained nearly 20 points.

Meanwhile, the SmallCap index set yet another all-time closing peak, ending 0.95 ahead at 2,636.0, for a 6.4-point gain on the week.

After Thursday's sell-off on Tuesday, Lloyd's TSBX rebounded sharply on the back of figures that were more than enough to keep the market happy. Barclays and Woolwich report next week.

The banking sector has been strong in early 1993, helped by its

defensive qualities in the face of sterling's strength and the Asian crisis.

The pound received a further shot in the arm this week from the Bank's hawkish comments on interest rates and it gained another 2 pfg against the D-Mark to DM2.9845 yesterday. The trade-weighted index moved up 0.6 to 104.8.

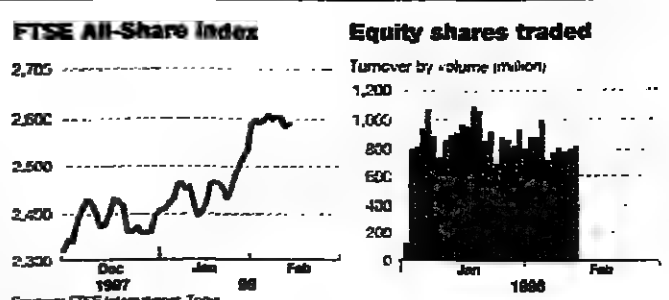
But some analysts think this sector inflation may have gone too far. "Triggered by corporate activity, the FTSE 100 has moved to new highs," said Richard Jeffers, group economist at Charterhouse.

"Sector performance remains extremely varied, however. Gen-

eral industrials have fallen back, while old favourites, the financials and pharmaceuticals, have made dramatic progress. These latter sectors may find it hard to fulfil expectations; industrials look excessively cheap," he said.

After the weekend, trading is expected to be subdued on Monday, with the US market closed for Presidents' Day. The main domestic economic news will be retail sales figures for January, which are expected to show a sharp rebound after December's 0.1 per cent seasonally adjusted fall.

Volume was 835.5m shares by the 9pm cut-off, of which 52.6 per cent was in non-Fortse stocks.



| Indices and ratios | | | FTSE 100 index | |
|----------------------------|---------|--------|----------------------|--------------|
| FTSE 250 | 4990.2 | +6.3 | Closing index Feb 13 | 5582.3 |
| FTSE 350 | 2663.7 | +12.2 | Change over week | 5572.2 |
| FTSE All-Share | 2595.85 | +11.24 | Feb 12 | 5552.2 |
| FTSE All-Share yield | 2.99 | | Feb 11 | 5607.1 |
| FT 30 | 3446.2 | +2.97 | Feb 10 | 5613.7 |
| FTSE Non-Fin p/e | 21.28 | 21.20 | Feb 9 | 5600.4 |
| FTSE 100 Fm Par | 5580.0 | +31.0 | High* | 5660.2 |
| 10 yr Gilt yield | 6.01 | 6.03 | Low* | 5320.3 |
| Long gilt/equity yld ratio | 2.03 | 2.03 | | |

*Intra-day high and low for week

EQUITY FUTURES AND OPTIONS TRADING

| St. | Vol. | Closing | Day's | St. | Vol. | Closing | Day's |
|-------------------|--------|---------|--------|-------------|--------|---------|--------|
| | | price | change | | | price | change |
| ABX/SCAP | 1,568 | 57 1/2 | +10 | Unyco T88T | 14,700 | 87 1/2 | +30 |
| AMERICA Corp. | 3,800 | 59 1/2 | +10 | Unyco T89T | 1,000 | 87 1/2 | +20 |
| AMC/Network | 3,000 | 197 1/2 | +5 | Unyco T90T | 1,000 | 214 1/4 | +1 1/2 |
| Armco | 1,000 | 41 1/2 | +10 | Unyco T91T | 1,000 | 214 1/4 | +1 1/2 |
| Armco & Locomot. | 101 | 41 1/2 | +10 | Unyco T92T | 1,000 | 214 1/4 | +1 1/2 |
| Atlas Domett | 3,000 | 30 1/2 | +30 | Unyco T93T | 1,000 | 214 1/4 | +1 1/2 |
| Anglin Water | 1,700 | 84 1/2 | +2 | Unyco T94T | 1,000 | 214 1/4 | +1 1/2 |
| APAC | 1,000 | 10 1/2 | +10 | Unyco T95T | 1,000 | 214 1/4 | +1 1/2 |
| Argo Wagon | 1,000 | 84 1/2 | +10 | Unyco T96T | 1,000 | 214 1/4 | +1 1/2 |
| Asarco | 3,000 | 84 1/2 | +10 | Unyco T97T | 1,000 | 214 1/4 | +1 1/2 |
| Assoc. Ind. Pers. | 57 | 254 1/4 | +8 | Unyco T98T | 1,000 | 214 1/4 | +1 1/2 |
| B&W | 1,000 | 84 1/2 | +10 | Unyco T99T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 10,700 | 24 1/2 | +18 | Unyco T100T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 5,100 | 258 1/2 | +23 | Unyco T101T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T102T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T103T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T104T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T105T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T106T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T107T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T108T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T109T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T110T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T111T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T112T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T113T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T114T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T115T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T116T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T117T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T118T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T119T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T120T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T121T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T122T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T123T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T124T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T125T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T126T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T127T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T128T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T129T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T130T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T131T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T132T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T133T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T134T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T135T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T136T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T137T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T138T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T139T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T140T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T141T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T142T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T143T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T144T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T145T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T146T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T147T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T148T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T149T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T150T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T151T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T152T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T153T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T154T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T155T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T156T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T157T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T158T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T159T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T160T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T161T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T162T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T163T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T164T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T165T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T166T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T167T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T168T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T169T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T170T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T171T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T172T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T173T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T174T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T175T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T176T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T177T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T178T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T179T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T180T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T181T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T182T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T183T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T184T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T185T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T186T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T187T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T188T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T189T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T190T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T191T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T192T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T193T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T194T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T195T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T196T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T197T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T198T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T199T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T200T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T201T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T202T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T203T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T204T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T205T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T206T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T207T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T208T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T209T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T210T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T211T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T212T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T213T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T214T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T215T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T216T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T217T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T218T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T219T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T220T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T221T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T222T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T223T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T224T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T225T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T226T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | 1,000 | 84 1/2 | +10 | Unyco T227T | 1,000 | 214 1/4 | +1 1/2 |
| B&W Ind. Int. | | | | | | | |

| | | | | | | | | | |
|--|--------|----------------|--------|-----------------------|--------|---------|----------|------|-------|
| <p>derivatives turnover drifted slightly as the markets folded early and stole away the lead of the President's Day long weekend in the FTSE 100.</p> <p>The FTSE 100 futures contract for March traded at around its estimated fair value differential to cash, which is currently calculated at a premium of about 4.5 points.</p> <p>Volume was, once again, uninspiring at just under 1,000 contracts and the market held within a</p> | | | | | | | | | |
| <p>50-point trading range. March closed at 5,585, in line with the cash market.</p> <p>In options, overall turnover of 24,331 contracts was helped by healthy turnover of 3,255 lots in BT. However, dealers said the bulk of the business in the telecoms leader represented one trade of 2,000 lots in the out-of-the money February puts as one position was closed out ahead of expiry on Wednesday.</p> | | | | | | | | | |
| FTSE 100 INDEX FUTURES (LIFTS) £25 per full index point | | | | | | | | | |
| | Open | Sett price | Change | High | Low | Est vol | Open int | | |
| Mar | 5565.0 | 5574.0 | +29.0 | 5560.0 | 5540.0 | 7079 | 6187 | | |
| Apr | 5625.0 | 5608.0 | +25.0 | 5605.0 | 5613.0 | 2 | 2740 | | |
| May | 5700.0 | | +25.0 | | | 0 | 100 | | |
| FTSE 250 INDEX FUTURES (LIFTS) £10 per full index point | | | | | | | | | |
| | Open | Sett price | Change | High | Low | Est vol | Open int | | |
| Mar | 4962.0 | | +6.0 | | | | 6215 | | |
| FTSE 300 INDEX OPTION (LIFTS) £10 per full index point | | | | | | | | | |
| | 5400 | 5480 | 5800 | 5850 | 5900 | 5950 | 5700 | 5750 | |
| | 100 | 10 | 140 | 160 | 180 | 270 | 80 | 4 | P C P |
| | 282 | 812 | 2220 | 300 | 131 | 161 | 13 | 122 | 155 |
| | 138 | 125 | 141 | 142 | 201 | 181 | 180 | 200 | 180 |
| | 38 | 155 | 32 | 170 | 301 | 191 | 211 | 340 | 230 |
| | 125 | 125 | 200 | 220 | | 280 | 25 | 140 | 200 |
| | 410 | 250 | 300 | 220 | | 280 | 25 | 140 | 200 |
| | | | | | | | 330 | 310 | |
| EURO STYLE FTSE 100 INDEX OPTION (LIFTS) £10 per full index point | | | | | | | | | |
| | 5375 | 5460 | 5475 | 5625 | 5575 | 5625 | 5575 | 5625 | |
| | 2 | 20 | 0 | 140 | 110 | 22 | 37 | 30 | 0 |
| | 277 | 8 | 2410 | 93 | 200 | 180 | 173 | 160 | 180 |
| | 38 | 155 | 32 | 170 | 301 | 191 | 211 | 340 | 230 |
| | | | | | | | | | |
| | 407 | 195 | | 340 | 330 | | 380 | 270 | |
| | 250 | 250 | | 470 | 250 | | 420 | 30 | |
| <p>on 1,629 Puts 1,748 Calls (including half vol). Premiums shown are based on settlement price. Last close was 5605.</p> | | | | | | | | | |
| FTSE - LEADERS & LAGGARDS | | | | | | | | | |
| percentage changes since December 31 1997 based on Friday February 13 1998 | | | | | | | | | |
| Banknote | -35.29 | Tobacco | +6.37 | Engineering, Vehicles | +0.27 | | | | |
| Chemicals | -17.87 | Utilities | +6.37 | Leisure & Hobbies | +0.45 | | | | |
| Automobiles | -16.38 | Non-Financials | +0.30 | Restaurants, Food | +0.21 | | | | |
| Consumer Goods | -14.77 | Services | +0.87 | Health Care | +0.15 | | | | |
| Discretionary | -14.77 | Financials | +0.87 | Technology | +0.15 | | | | |
| Insurance | -14.08 | FTSE 250 | +0.87 | Basic Metals | +0.11 | | | | |
| Porter/Sealant | -12.72 | Food Producers | +0.48 | Alcoholic Beverages | -0.28 | | | | |
| Auto Services | -11.80 | FTSE 300 | +0.48 | Gen Ints | -0.28 | | | | |
| Telecoms | -11.80 | FTSE 100 | +0.48 | Non-Financials | -0.28 | | | | |
| Energy | -11.80 | FTSE 250 | +0.48 | Resources & Equip | -2.42 | | | | |
| Chemicals | -11.80 | FTSE 300 | +0.48 | Engineering | -0.69 | | | | |
| Automobiles | -11 | | | | | | | | |

**By Peter John and
Steve Thompson**

Lloyds TSB planted a demanding marker as it kicked off the big banks reporting season.

The high street banks reinforced the logic of strengthening securities and concentrating on retail instead of retail mergers as it reported profits of £5.68bn against £2.6bn last time. It delighted the market with a 30 per cent dividend increase.

And it was able to demonstrate that it was 270m ahead of target on its long-term cost-cutting prediction for the TSB merger.

There was some edginess over income growth, but forecasts were met and Kathleen Newton of UBS argued that when the other banks reported, it would be seen that growth was an industry-wide problem.

And with rival banks possibly unable to show what Neil Baker of Dresdner Bank Kleinwort Benson described as "excellent internal capital generation", there could be switching into Lloyds over the next fortnight.

Consequently, the market view which historically takes a dim view of banking figures on release day, bought the stock up 38 to 873p on volume of 1.4m, having ignored it for most of the past year.

Others fell back, feeling overshadowed. Abbey National, for example, slipped 10 to £11.84 after a very strong run and Alliance

The first and most influential story driving the shares came amid speculation that the Airbus consortium, in which Bae has a 20 per cent stake, is about to win a \$1bn contract to provide aircraft for a number of South American countries, traditionally the stamping ground of Boeing.

But dealers were also pushing the results story to clients. Bae reports preliminary figures on Thursday and profits are forecast to come in around 30 per cent higher and the dividend total up around a quarter.

Argos battle

The battle for control of Argos, the catalogue retailer, became more intense, with Argos shares slipping away and finishing the session a net 14 lower at 611p.

Turnover of 842,000 shares in Argos was said by dealers to have represented selling by some speculators who have become slightly disillusioned with the diminishing chances that a counterbidder or white knight might emerge.

"Whatever happens, GUS has no chance of getting Argos at its \$70p a share offer and it looks as if Argos is struggling to attract a white knight," said one salesman.

Pearson, the media conglomerate which owns the Financial Times, jumped 32 to 850p. There has been speculation that the company is in the running to acquire Simon & Schuster, the US publisher, and the stock has benefited from a spate of buy recommendations.

Ratcliffe Holdings continued its recovery with a rise of 19p to 609p. The company's shares on Tuesday

■ CHIEF PRICE CHANGES

[illegible][illegible]

employment was clearly highlighted in London Freight, the trade finance house, whose shares plummeted 4 to 397½p after the company's pre-tax profits came only marginally ahead at £1.5m, against the most optimistic estimates of £43m. IATA continued to reflect an excellent January figure, which showed a 6.9 per cent increase on the previous month: the 50p shares moved up 13 to 546p, a two-day gain of 26.

First Choice, the holiday

of the market's worse casualties, the shares sliding 8 to 38p, more than 17 per cent, after the group issued a profit warning.

The takeover action in the smaller stocks continued apace, with Independent Parts Group attracting an agreed 160p a share offer from Finelst. Independent's shares moved up 9½ to 147½p on the news; those of Finelst dipped 5 to 373½p.

It was not good news for shareholders in Merryweather's vehicle maker, however, where reports that talks with a potential bidder had been broken off, saw the shares slide 1 to 47½p.

The UK Series

| | Days' Supply | | | Year | Group | Med | Gross | P/E | Yd/s | Total | 1997/98 | | Shore | Completion | | | | |
|-----------------------|--------------|-----|---------|---------|--------|------|-------|--------|-------|-------|---------|---------|-------|------------|---------|--------|--------|-------|
| | Feb | Mar | Apr | | | | | | | | High | Low | | | | High | Low | |
| PTFE 180 | 5862.5 | 402 | 5862.5 | 8807.9 | 454.0 | 2.82 | 2.23 | 2.67 | 36.98 | 3.93 | 3411.85 | 8276 | 9/29 | 10/16 | 5862.7 | 686.9 | 23/74 | |
| PTFE 200 | 5905.5 | 41 | 5905.5 | 1187.9 | 18.0 | 1.87 | 1.70 | 1.87 | 1.87 | 1.87 | 1187.9 | 1187.9 | 9/29 | 10/16 | 5905.7 | 217.6 | 10/16 | |
| PTFE 200 w/ it | 8018.4 | 401 | 5011.5 | 8018.4 | 383.3 | 3.45 | 2.85 | 1.95 | 1.35 | 7.26 | 2135.78 | 8018.4 | 13/29 | 4387.7 | 10/16 | 8018.8 | 132/29 | 10/16 |
| PTFE 350 | 2663.7 | 405 | 2663.7 | 2663.7 | 2142.0 | 2.80 | 2.30 | 2.05 | 20.33 | 1.25 | 3663.7 | 2663.7 | 9/29 | 10/16 | 2663.7 | 405.3 | 14/18 | |
| PTFE 350 w/ it | 2663.7 | 405 | 2663.7 | 2663.7 | 2142.0 | 2.80 | 2.30 | 2.05 | 20.33 | 1.25 | 3663.7 | 2663.7 | 9/29 | 10/16 | 2663.7 | 405.3 | 14/18 | |
| PTFE 350 Higher Yield | 2648.8 | 401 | 2648.8 | 2671.5 | 2030.8 | 3.84 | 3.23 | 1.81 | 17.10 | 1.50 | 1952.34 | 2671.5 | 9/29 | 10/16 | 2671.5 | 670.8 | 14/18 | |
| PTFE 350 Lower Yield | 2663.8 | 405 | 2672.0 | 2673.5 | 2235.1 | 2.14 | 1.28 | 1.28 | 25.98 | 1.25 | 3663.8 | 2663.8 | 9/29 | 10/16 | 2663.8 | 405.3 | 14/18 | |
| PTFE 350 w/ it | 2663.7 | 405 | 2671.7 | 2673.5 | 2142.0 | 2.80 | 2.30 | 2.05 | 20.33 | 1.25 | 3663.7 | 2663.7 | 9/29 | 10/16 | 2663.7 | 405.3 | 14/18 | |
| PTFE 500 | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04 | 1.04 | 2.04 | 2471.22 | 2471.22 | 13/29 | 13/29 | 2471.22 | 132/29 | 10/16 | |
| PTFE 500 w/ it | 2471.22 | 401 | 2471.22 | 2471.22 | 1.56 | 1.84 | 2.04 | 2.04</ | | | | | | | | | | |

| Year | Gross Mt | Net | PE | Ad mt | Total | 1987/88 | Since Completion |
|---------|----------|-----|-----|-------|-------|---------|------------------|
| 1986/87 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1987/88 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1988/89 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1989/90 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1990/91 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1991/92 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1992/93 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1993/94 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1994/95 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1995/96 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1996/97 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1997/98 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1998/99 | 1000 | 500 | 100 | 100 | 1000 | | |
| 1999/00 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2000/01 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2001/02 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2002/03 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2003/04 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2004/05 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2005/06 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2006/07 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2007/08 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2008/09 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2009/10 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2010/11 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2011/12 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2012/13 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2013/14 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2014/15 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2015/16 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2016/17 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2017/18 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2018/19 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2019/20 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2020/21 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2021/22 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2022/23 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2023/24 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2024/25 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2025/26 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2026/27 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2027/28 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2028/29 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2029/30 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2030/31 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2031/32 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2032/33 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2033/34 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2034/35 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2035/36 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2036/37 | 1000 | 500 | 100 | 100 | 1000 | | |
| 2037/38 | 1000 | 500 | 100 | 100 | 1000 | | |
| | | | | | | | |

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | Return | High | Low | High | Low | Exit |
|-----------------------------------|----------|---------|----------|----------|----------|------|------|----------|-------|---------|---------|----------|----------|---------|----------|---------|---------|---------|----------|
| 10 RECOMMEND(S) | 4362.36 | 4041.43 | 4394.98 | 4398.41 | 4033.06 | 3.95 | 3.01 | 1.81 | 18.71 | | | | | 0.00 | 552.97 | 5502.96 | 5199.07 | 5060.96 | 19/06/96 |
| 12 Executive Indus&Tech | 3123.56 | 3041 | 3144.31 | 3097.14 | 3089.59 | 1.40 | 1.86 | 1.86 | 14.78 | | | | | 0.00 | 552.97 | 5502.96 | 5199.07 | 5060.96 | 19/06/96 |
| 13 Int'l Indus&Tech | 3123.56 | 3041 | 3144.31 | 3097.14 | 3089.59 | 1.40 | 1.86 | 1.86 | 14.78 | | | | | 0.00 | 552.97 | 5502.96 | 5199.07 | 5060.96 | 19/06/96 |
| 14 Int'l Indus&Tech | 3257.86 | 3011 | 3323.21 | 3333.13 | 3495.09 | 1.71 | 1.41 | 2.32 | 14.46 | | | | | 0.00 | 552.97 | 5502.96 | 5199.07 | 5060.96 | 19/06/96 |
| 20 GEN INDUSTRIAL&Tech | 11891.19 | 1021 | 11767.29 | 11822.30 | 11951.51 | 3.85 | 3.20 | 2.01 | 16.15 | 2.82 | 1145.56 | 11738.89 | 114701 | 1384.68 | 10/167 | 2322.08 | 20294 | 586.10 | 13/166 |
| 21 Consumer&Tech | 1424.11 | 101 | 1420.87 | 1420.19 | 1349.58 | 2.29 | 2.62 | 2.26 | 26.86 | 1.00 | 1284.66 | 1446.32 | 119707 | 118491 | 21/167 | 228.08 | 187/67 | 308.10 | 14/166 |
| 22 Building Mats & Materials | 11613.53 | 104 | 11862.86 | 11844.07 | 11844.54 | 2.34 | 2.54 | 1.84 | 14.23 | 4.24 | 1048.58 | 1196.56 | 114529 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 23 Chemical&Tech | 11613.53 | 104 | 11862.86 | 11844.07 | 11844.54 | 2.34 | 2.54 | 1.84 | 14.23 | 4.24 | 1048.58 | 1196.56 | 114529 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 24 Diversified Industri&Tech | 1137.22 | 101 | 1230.95 | 1233.15 | 1236.56 | 4.19 | 3.80 | 1.40 | 14.03 | 10.72 | 64.88 | 1596.75 | 114701 | 122210 | 11/167 | 2221.57 | 20294 | 586.10 | 13/166 |
| 25 Electronic & Equip Eng&Tech | 2146.87 | 109 | 2180.72 | 2134.27 | 2226.08 | 2.54 | 1.86 | 1.86 | 18.13 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 26 Electronic & Equip Eng&Tech | 2146.87 | 109 | 2180.72 | 2134.27 | 2226.08 | 2.54 | 1.86 | 1.86 | 18.13 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 27 Engineering & Machine I | 3614.25 | 109 | 3485.32 | 3470.10 | 3263.86 | 2.76 | 2.23 | 0.028001 | 0.02 | 1917.20 | 3772.15 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 | |
| 28 Paper, Pulp & Printing&Tech | 2030.04 | 104 | 2038.10 | 2023.10 | 2070.20 | 1.15 | 4.26 | 1.81 | 12.61 | 4.24 | 9923.59 | 2200.30 | 123597 | 118491 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 30 CONSUMER GOODS&Tech | 3749.98 | 104 | 3715.18 | 3765.44 | 3729.28 | 3.82 | 3.24 | 1.81 | 15.25 | 2.44 | 2243.68 | 3503.48 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 32 Alcoholic Beverages&Tech | 3257.86 | 3011 | 3323.21 | 3333.13 | 3495.09 | 1.71 | 1.41 | 2.32 | 14.46 | | | | | 0.00 | 552.97 | 5502.96 | 5199.07 | 5060.96 | 19/06/96 |
| 33 Food&Tech | 3257.86 | 3011 | 3323.21 | 3333.13 | 3495.09 | 1.71 | 1.41 | 2.32 | 14.46 | | | | | 0.00 | 552.97 | 5502.96 | 5199.07 | 5060.96 | 19/06/96 |
| 34 Household Goods & Textile&Tech | 3175.10 | 3012 | 3165.71 | 3155.21 | 3092.97 | 3.98 | 3.26 | 1.52 | 16.41 | 7.33 | 1530.72 | 3340.00 | 1312975 | 2284.42 | 71/167 | 3314.00 | 1312975 | 2284.42 | 71/167 |
| 36 Health Care&Tech | 2226.24 | 104 | 2217.19 | 2257.41 | 2226.24 | 2.54 | 1.86 | 1.86 | 18.13 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 37 Health Care&Tech | 2226.24 | 104 | 2217.19 | 2257.41 | 2226.24 | 2.54 | 1.86 | 1.86 | 18.13 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 38 Tobacco&Tech | 4963.22 | 101 | 4877.38 | 4993.03 | 4928.32 | 5.75 | 5.08 | 1.50 | 13.82 | 0.00 | 1345.67 | 1181.08 | 13116197 | 3864.45 | 10/167 | 5810.13 | 3116197 | 3864.45 | 10/167 |
| 40 SERVICES&Tech | 3041.95 | 104 | 3040.16 | 3032.08 | 2914.75 | 2.23 | 1.23 | 1.86 | 16.23 | 3.20 | 1860.20 | 3091.95 | 114701 | 1384.68 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 41 Distributors&Tech | 2504.04 | 104 | 2438.23 | 2467.17 | 2621.24 | 3.73 | 3.04 | 1.86 | 16.31 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 42 Leisure & Entertainment | 4068.12 | 101 | 4049.77 | 4032.10 | 3985.10 | 2.54 | 2.01 | 1.86 | 26.37 | 10.72 | 64.88 | 1596.75 | 114701 | 122210 | 11/167 | 2221.57 | 20294 | 586.10 | 13/166 |
| 43 Retailers, Food&Tech | 2747.80 | 101 | 2744.24 | 2729.40 | 1438.70 | 1.30 | 2.30 | 1.75 | 17.51 | 2.18 | 1021.10 | 2263.30 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 45 Retailers, Consumer&Tech | 2747.80 | 101 | 2744.24 | 2729.40 | 1438.70 | 1.30 | 2.30 | 1.75 | 17.51 | 2.18 | 1021.10 | 2263.30 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 46 Retailers, Food&Tech | 3319.58 | 104 | 3300.73 | 3277.54 | 3213.15 | 2.84 | 1.52 | 1.86 | 16.30 | 3.80 | 1615.93 | 3116197 | 1329.25 | 27/167 | 3314.00 | 1312975 | 2284.42 | 71/167 | |
| 47 Beverages, Print & Real&Tech | 3754.19 | 103 | 3744.38 | 3729.72 | 3747.17 | 3.14 | 2.51 | 1.86 | 16.55 | 1.78 | 1093.50 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 | |
| 48 Support Services&Tech | 3653.25 | 101 | 3650.50 | 3630.10 | 3578.24 | 3.23 | 1.81 | 1.86 | 16.31 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 49 Support Services&Tech | 3653.25 | 101 | 3650.50 | 3630.10 | 3578.24 | 3.23 | 1.81 | 1.86 | 16.31 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 50 UTILITIES&Tech | 3707.72 | 102 | 3713.72 | 3722.65 | 3708.08 | 4.24 | 3.28 | 1.74 | 17.14 | 4.81 | 1735.51 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 | |
| 62 Electricity&Tech | 4177.20 | 104 | 4193.25 | 4180.21 | 3887.47 | 4.57 | 2.65 | 1.23 | 12.85 | 3.80 | 1408.08 | 4204.28 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 63 Gas Distribution&Tech | 2816.30 | 102 | 2811.04 | 2826.00 | 2827.31 | 2.31 | 1.86 | 1.86 | 14.78 | 1.00 | 1615.93 | 3116197 | 1329.25 | 27/167 | 3314.00 | 1312975 | 2284.42 | 71/167 | |
| 68 Water&Tech | 2571.64 | 104 | 2569.17 | 2574.75 | 2155.40 | 3.10 | 2.28 | 1.50 | 12.20 | 2.80 | 2071.51 | 2570.04 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 98 NON-FINANCIAL(S) 5338 | | | | | | | | | | | | | | | | | | | |
| 70 FINANCIAL&Tech | 5454.50 | 104 | 5448.81 | 5454.82 | 5190.19 | 2.80 | 2.26 | 2.41 | 18.58 | 7.00 | 2425.15 | 5452.65 | 5199.07 | 5060.96 | 19/06/96 | 5452.65 | 5199.07 | 5060.96 | 19/06/96 |
| 71 Banks&Tech | 7452.50 | 107 | 7488.92 | 7497.44 | 8007.58 | 2.74 | 2.13 | 2.49 | 14.20 | 0.00 | 2795.15 | 8144.87 | 5199.07 | 5060.96 | 19/06/96 | 5452.65 | 5199.07 | 5060.96 | 19/06/96 |
| 72 Insurance&Tech | 2125.83 | 103 | 2126.38 | 2126.52 | 1719.78 | 3.63 | 3.01 | 2.14 | 12.31 | 3.34 | 1817.17 | 2459.57 | 2459.57 | 2459.57 | 2459.57 | 2459.57 | 2459.57 | 2459.57 | 2459.57 |
| 74 Life Assurance&Tech | 7014.88 | 104 | 6997.67 | 7009.78 | 7014.88 | 2.54 | 1.86 | 1.86 | 18.13 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 75 Life Assurance&Tech | 7014.88 | 104 | 6997.67 | 7009.78 | 7014.88 | 2.54 | 1.86 | 1.86 | 18.13 | 1.12 | 1170.04 | 2226.08 | 147619 | 118248 | 21/168 | 238.22 | 21474 | 586.10 | 13/166 |
| 76 Property&Tech | 2353.75 | 104 | 2340.24 | 2340.24 | 1888.69 | 2.75 | 2.23 | 1.42 | 12.30 | 4.24 | 1631.55 | 2264.45 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 90 INVESTMENT TRUSTS&Tech | 3801.47 | 103 | 3813.30 | 3836.98 | 3404.65 | 2.13 | 1.73 | 1.16 | 4.93 | 7.00 | 1330.06 | 3836.98 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 98 FISE All-Share&Tech | 2584.61 | 104 | 2584.61 | 2604.85 | 2110.12 | 2.89 | 2.40 | 2.01 | 20.84 | 2.22 | 3234.41 | 2604.85 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| 99 FISE All-Share or FTSE | 2803.45 | 109 | 2803.45 | 2809.50 | 2812.08 | | 3.62 | 2.51 | 20.84 | 2.22 | 3234.41 | 2604.85 | 3116197 | 287473 | 47/167 | 3772.15 | 3060.97 | 386.08 | 14/166 |
| FISE All-Share or FTSE | 1213.38 | 109 | 1202.89 | 1182.20 | | 0.56 | 0.52 | 0.67 | 7.37 | 0.85 | 124.42 | 1204.67 | 109/167 | 109/167 | 109/167 | 109/167 | 109/167 | 109/167 | 109/167 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147.19 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 | 1316.15 |
| FISE All-Share or FTSE | 1317.41 | 101 | 1316.15 | 1316.15 | 1353.67 | 1.33 | 1.33 | 1.33 | 12.24 | 0.28 | 147 | | | | | | | | |

| 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.10 | High/day | Low/day |
|-------|-------|-------|-------|-------|-------|-------|----------|---------|
|-------|-------|-------|-------|-------|-------|-------|----------|---------|

[illegible]

Further information is available on <http://www.ftse.com>.
 © FTSE International Limited 1998. All Rights reserved. "FT-SE" and "Footsie" are trade marks of the London Stock
 Exchange and The Financial Times and are used by FTSE International under licence. † Sector P/E ratios greater than 80
 and net covers greater than 30 are not shown; ‡ Values are negative. The calculation basis for the total return series was
 annual 5-year gross to net on 7/7/87.

SES AND FALLS

[illegible]

| | On Friday | | | Over 5 days | | |
|-------------------|------------|------------|--------------|--------------|--------------|--------------|
| | Rises | Falls | Stays | Rises | Falls | Stays |
| th Funds | 44 | 34 | 1 | 261 | 126 | 8 |
| Fixed Interest | 0 | 0 | 0 | 0 | 0 | 48 |
| Real Estate | 58 | 73 | 41 | 309 | 367 | 109 |
| Education | 110 | 138 | 308 | 628 | 808 | 1,450 |
| Consumer Goods | 74 | 71 | 189 | 346 | 369 | 858 |
| Health | 144 | 120 | 305 | 740 | 646 | 1,456 |
| Technology | 16 | 21 | 13 | 91 | 92 | 67 |
| Telecom | 105 | 97 | 194 | 518 | 918 | 544 |
| Government Trusts | 111 | 181 | 324 | 578 | 599 | 1,153 |
| Other | 80 | 49 | 228 | 373 | 272 | 1,578 |
| Total | 742 | 781 | 1,568 | 4,242 | 3,638 | 7,728 |

Source: on these counts taken on the London Stock Service.

NOON RECENT ISSUES: EQUITIES

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------|-----|---|---|---|----|----|----|---|-----|-----|----|----|----|----|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|----|
| China | 180 | 3 | 7 | 8 | 20 | 26 | 26 | 1 | 124 | 230 | 14 | 20 | 17 | 21 | 16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | </ |
|-------|-----|---|---|---|----|----|----|---|-----|-----|----|----|----|----|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|----|

| Fund | 1997/98 | | | | Income p | Yield % | Div. div. | Div. cov. | P/E ratio |
|---------|---------------|------|-----|---------------------|-------------|------------|--------------|--------------|--------------|
| | Yield (Fm) | High | Low | Streak | | | | | |
| - F.P. | 43.8 | 100 | 91% | Alcatel-Electronics | 95 | - | - | - | 15.5 |
| - F.P. | 943.6 | 95 | 95 | Bass | 55 | - | - | - | - |
| - F.P. | 2,860 | 520 | 500 | Dagben B | 320 | <2% | - | - | - |
| - F.P. | 32.7 | 105% | 80 | Euroson Energy | 193 | - | - | - | - |
| 98 F.P. | 343.3 | 222% | 188 | Monrovia | 60.3 | - | 1.40 | 6.2 | 2.6-22.1 |
| - F.P. | 6.92 | 62% | 37% | Richards Grp | 600 | - | - | - | - |
| - F.P. | 8 | 4% | 4% | Sensitavia Wrs | 4% | - | - | - | - |

Investment Management, 5 Placing price: * Introduction
 symbols phrase refers to the London Share Service house

30 INDEX

[illegible]

| | Feb 13 | Feb 12 | Feb 11 | Feb 10 | Feb 9 | Feb 8 | High | Low |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| 0 | 3448.2 | 3428.5 | 3449.3 | 3437.8 | 3445.3 | 3468.2 | 3448.3 | 2668.8 |
| 0.50 yield | 9.12 | 9.14 | 9.13 | 9.14 | 9.14 | 9.37 | 4.28 | 3.12 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |
| ratio net | 22.52 | 22.36 | 22.46 | 22.37 | 22.40 | 17.31 | 22.82 | 15.81 |
| since completion, last 22/23/3 11/22/98; use AP 4 25/50/40 Base Date: 1/7/95 | | | | | | | | |
| 10 hourly changes | | | | | | | | |
| | 0 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| High | | | | | | | | |
| Low | | | | | | | | |
| 0 | 3426.9 | 3427.5 | 3441.0 | 3448.2 | 3446.3 | 3438.6 | 3431.8 | 3498.0 |
| 0.50 yield | 3425.1 | 3422.1 | 3432.1 | 3438.1 | 3435.1 | 3428.1 | 3421.1 | 3422.1 |
| ratio net | 22.73 | 22.56 | 22.63 | 22.57 | 22.60 | 17.52 | 22.72 | 15.70 |

INVESTMENT TRUSTS - Cont.

| | | |
|-------------------------|-----|-----|
| Army & State UK Decoy | 108 | 178 |
| Warrents | 20 | 20 |
| Army & State UK San Dec | 150 | 170 |
| Warrents | 68 | 73 |
| | 578 | 579 |
| Angler Promotional | 400 | 400 |
| Government Charter | 633 | 637 |
| Government Lic | 862 | 118 |
| Government Emergency | 252 | 46 |
| Warrents | 252 | 274 |
| Government Environment | 108 | 378 |
| Government of Texas | 400 | 187 |
| Government of Texas | 158 | 127 |
| 2nd Edition 2003 | 128 | 188 |
| Government Guide | 178 | 37 |
| Government of Texas | 37 | 37 |

INSURANCE

[illegible]

| | | |
|---------|----|----|
| Windsor | 15 | 18 |
|---------|----|----|

[illegible]

Fig. 1.

[illegible]

Edinburgh Ordnance
Warrants 3005

[illegible]

List the Ln 2001
 Fidelity Jop Vals -- 4 30 1 - 7 1/2

[illegible]

| | | | |
|-----|---|-----|----|
| 1.8 | For Forelight Technology VCT new INVEST | | |
| 4.6 | Forelighter 1800 San Co. 3 | 150 | 16 |
| | Microcam | 210 | 3 |

[illegible]

INV TRUSTS SPLIT CAPITAL

[illegible]

Charles Schwab

MANAGED BY CHARLES DOMAN, WHICH IS A MEMBER FIRM OF THE LONDON STOCK EXCHANGE AND LITFFE, AN INLAND REVENUE APPROVED MANAGER AND IS REGULATED BY THE SECURITIES AND FUTURES AUTHORITIES. THE INVESTMENT SERVICES REFERRED TO IN THIS ADVERTISEMENT MAY NOT BE SUITABLE FOR ALL INVESTORS. PLEASE READ AND UNDERSTAND THE INVESTMENT SERVICES AND THE INVESTMENT ADVISOR'S INVESTMENT POLICY AND RISK STATEMENT. PLEASE CONSULT AN APPROPRIATE FINANCIAL ADVISOR.

هكذا من الاصل

WORLD STOCK MARKETS

[illegible]

<http://www.rockwell.com>

مكتبة من الأصيل

Bank rumours help Zurich to recoup losses

[illegible]

COMPANIES AND FINANCE

Joint venture with Alcatel, in partnership with Fiat, poised to win £1bn train contract

GEC sells semiconductor side to Mitel

By Stefan Wagstyl and Charles Batchelor

GEC, the UK electronics company, yesterday announced the sale of GEC Plessey Semiconductors (GPS) for \$25m in the latest restructuring move since Lord Simpson took over last year as managing director from Lord Weinstock.

Lord Simpson said the sale to Mitel, the Canadian telecommunications group, left the group free to concentrate on acquisitions in its core defence, aerospace and US

industrial electronics businesses. "We want to move very fast and start acquiring things."

The disposal also marks the end of more than 30 years of effort to develop a significant UK-owned semiconductor industry, as GEC Plessey was the last big chip-maker in British hands.

GEC said the sale completed the disposals announced last summer, which had yielded just over \$300m (\$500m).

The company is pressing ahead with two other strate-

gic moves. This summer it is floating GEC Alsthom, its joint venture with Alcatel of France, which has an estimated market value of \$4bn. It is also negotiating with Siemens, the German electrical group, over GPT, a 60:40 joint venture in telecommunications.

Swindon-based GPS, which made pre-tax profits of £7.2m on sales of £215.5m in the year to March 1997, employs about 2,200 producing chips mainly for the communications, media, personal computer and defence industries.

Mitel is buying GPS to expand its existing semiconductor operations which focus mainly on chips for telecommunications markets. It was particularly attracted by GPS's design and development skills.

Francis Cordeau, vice president of Mitel Semiconductor, the chipmaking arm, said: "The combined company has the critical mass and world class capabilities required to lead in its chosen market segments."

Lord Simpson said he regretted the fact that the

last British-owned semiconductor maker was passing into non-British hands. "But's the sensible thing to do. If we hung on to it we wouldn't have the critical mass to succeed."

Meanwhile, the GEC Alsthom flotation received a boost from news that the company, in partnership with Fiat Ferroviaria of Italy, is poised to win a £1bn order.

The contract is to supply and maintain tilting trains for the British west coast mainline service run by Vir-

gin Rail, the railway company run by Richard Branson, the entrepreneur.

Virgin said last night that GEC/Fiat had been selected as preferred bidder to supply more than 40 tilting trains in what is believed to be the largest UK train order to be placed this century. The new trains are due to be delivered in 2001-2002.

The new electric trains will be capable of speeds of up to 140mph but until track and signalling upgrading has been completed in 2005 they will be restricted to 125mph.

Change of heart on job offers for UBS staff

By Clay Harris, Banking Correspondent

The worst is yet to come for London-based staff of Union Bank of Switzerland. But it appears possible that a few more than had been expected will be offered jobs in the Swiss Bank Corporation-dominated merger.

The first indication may come early next week as the tier-by-tier process of filling jobs at the combined investment bank, to be called Warburg Dillon Read, reaches the equities research, sales and trading operations.

It is now believed likely that up to half of the 400 UBS professional staff in these areas may be offered jobs, far more than SBC's original intention.

The change of heart follows a hard line taken by UBS's Hector Santis, joint head of the new European equities business. He is believed to have threatened

not to come himself unless more UBS staff were offered jobs.

The banks believe, however, that it is too soon to judge whether total London job losses will fall short of the 3,000-4,000 they predicted when they announced their merger in December.

Moreover, all job offers may not be accepted. Some UBS staff have been so alienated by the merger process that they intend to leave even if they are offered jobs.

The banks may have an incentive to be generous with offers, since extending them removes the need to make redundancy payments.

In any case, the proportion of job losses among equities and fixed-income professionals and support staff in all departments is expected to be much more severe than suffered this week by corporate finance professionals. Only 50 - all from UBS -

of the 450 people currently employed in corporate finance positions at the two banks were not offered jobs.

UBS is also studying the possibility of bringing forward the payment of 1997 bonuses from the end of next month, to avoid having disgruntled staff sitting around for weeks.

If the more optimistic jobs outlook turns out to be well founded, it may help to relieve the increasingly fraught atmosphere within the two banks.

At SBC Warburg's behest, UBS this week brought in Lowe Bell Financial, the public relations consultants, to try to counter what it considered bad publicity about the merger.

When the project became public Hans de Gier, Warburg's chief executive, sacked the firm, only to reinstate it some three hours later.

ABI steps into Astec conflict with Emerson

By Virginia Marsh

The Association of British Insurers has told members with shares in Astec (BSR) that they should consider warning Emerson Electric of the US of the implications of its plans for the UK electronics group.

Emerson, which owns 51.1 per cent of Astec, has angered minority shareholders with its intention to buy them out at 11p and end dividend payments. It has requisitioned an extraordinary meeting to remove independent Astec directors who have described the Emerson offer as "wholly inadequate". This has led to

threats of legal action against Emerson from some institutional investors.

In a circular to members, the ABI said shareholders "will no doubt wish to be fully aware of the views of incumbent management who have recommended voting against" moves to oust the directors. It added: "(Members) may like to ensure that Emerson are fully aware of investors concern over its actions, and the possible future implications."

The ABI also reminded members that when Emerson lifted its stake to more than 50 per cent last year, Astec, with Emerson's approval, said it did not

anticipate that the move would "have any impact on the senior management of Astec or its board".

Analysis believe an offer closer to 140p a share would be more appropriate. Astec shares were unchanged yesterday at 120p.

Under the 1986 Companies Act, shareholders can issue proceedings against another shareholder where they feel their interests are being "unfairly prejudiced".

Emerson said dividends at Astec should cease so it could spend more on expansion. It also said it paid its premium for control when it acquired a 45 per cent stake in Astec nearly 10 years ago.



Tim Thwaites (r) with Gary Pottet, chief executive (l) and Tim Andrews, finance director

Disposal charges nibble at Slug and Lettuce

By David Blackwell

Grosvenor Inns yesterday said profits and sales at its core Slug and Lettuce brand were up by a quarter in the first half.

However, a charge of \$890,000 (£1.5m) on the disposal of 18 non-core pubs late last year and a higher interest bill left pre-tax profits at just £137,000 for the six months to November 29, against £1.1m last time.

The group is changing its name to Slug and Lettuce.

Tim Thwaites, chairman, said that a rise of almost 10 per cent in like-for-like sales at the Slug and Lettuce out-

lets was "the biggest proof that what we have done is giving us real growth".

That figure covered 13 of the 22 Slug and Lettuce sites now trading. The group aims to lift the estate to 35 pubs by the end of May next year, and to continue opening at the rate of 10 a year.

Total sales were flat at £11.8m, including £3.8m from pubs that were sold. But sales from continuing operations, which include four pubs still to be sold, rose from £8.8m to £8.4m.

Net interest payable rose from £394,000 to £630,000.

Analysis said the decision to concentrate on Slug and

Lettuce had been justified by the 24 per cent rise in operating profits to £1.7m.

They said the like-for-like rise reflected strong growth in both food and drinks sales, and was the more impressive as the brand did not employ amusement machines with prizes. The new outlet opposite Mansion House in the City is taking £30,000 a week. Forecast full-year profits are £1.9m (£287,000), giving a prospective multiple of 23.

Earnings fell from 5.6p to 0.37p, but the interim dividend is held at 3.025p.

The shares fell 3p to 332½p.

Goldman Sachs and Marriott link for bid

By Scheherazade Daneshkhu in London and William Lewis in New York

Goldman Sachs, the US investment bank, has linked up with Marriott International to bid for the InterContinental Hotels and Resort chain which is to be sold off next month for between \$2.5bn and \$3bn.

Marriott has joined with Goldman Sachs' Whitehall real estate group in a move that bankers say has helped propel their joint bid to being the front runner.

Separately, Ladbroke, the UK-based owner of Hilton International, has been eliminated from the race for InterContinental. Salomon Smith Barney, the US investment bank advising InterContinental is believed to have dropped Ladbroke because the hotels and betting chain needed shareholder approval for the purchase under UK stock exchange rules. This would have added several weeks to the bidding process but Japan's Saison group, owner of InterContinental, is keen for a quick sale.

Ladbroke, which would not comment yesterday, is believed to be unhappy at the decision.

Its elimination leaves Marriott International, Bees and

Patriot American Hospitality, a real estate investment trust, in the race. They are conducting due diligence on the 212-hotel chain in preparation for final bids due by the end of the month.

Last year Marriott paid \$1bn to acquire Renaissance Hotels, the Hong Kong-based company and is anxious to grow in Asia, China and Latin America.

Bees, the brewing group which owns Holiday Hospitality, is looking for a large acquisition to strengthen Crown Plaza, its four-star business brand.

Patriot paid \$2.8bn for three large US hotel acquisitions last year. It made its first purchase outside the US last month when it bought Arcadian International, the UK-based hotel operator, for \$82m.

InterContinental is one of a number of assets being sold by the Saison group. It has a large stake in InterContinental cover bad debts, mainly at group companies affiliated with Saison, the supermarket operator which is one of the group's core companies.

Saison had planned to float InterContinental on the New York stock exchange this spring, but offers from hotel groups had persuaded it to sell instead.

GPG resumes Bluebird fight

By David Blackwell

Guinness Peat, the investment group making a \$62m (\$70m) hostile bid for Bluebird Toys, yesterday accused its target of allowing its cash pile toebb away.

"Basically if they don't arrest the decline in sales, sooner or later they are going to run out of cash," said Blake Nixon, a Guinness Peat director, as the offer document was launched.

The document claims that since Chris Burgin joined Bluebird as chief executive in 1994 the cash position has deteriorated rapidly. Assum-

ing the trend continues, it estimates that the cash will have fallen from £22m in June 1994 to £2.5m by the end of June.

Bluebird had more than £19m cash at the end of December, when the pile is highest because of the sales run up to Christmas.

The UK group - best known for its Polly Pocket miniature doll for girls - said it had taken Guinness Peat a month to repeat themselves. "The offer is no more appealing now than it was then."

Guinness Peat is offering 101p a share for Bluebird and has a 32 per cent stake.

Arculus chooses a tricky moment to go

John Gapper reports on the uncertainties surrounding United News & Media

The departure of David Arculus, its chief operating officer, was never likely to be an auspicious event for United News & Media. However, the timing and circumstances of the move, announced this week, are both unfortunate for the media group.

It comes two years after MAI, headed by Lord Hollick, merged with United Newspapers to form the company, and two weeks after Stephen Grabiner, director in charge of newspapers, was hired to head British Digital Broadcasting.

The wider circumstances are also awkward. After a burst of enthusiasm among investors at the prospects for the newly merged FTSE 100 group, its shares have underperformed to the point where it has lost virtually all its growth rating.

At yesterday's close of 690p, United's shares stand at 15.5 times estimated 1997 earnings. Although the sector has been languishing, it is below others such as Pearson, owner of the Financial Times, which has a p/e rating of 24.

The rating partly reflects doubts about United's array of businesses - from the Harlow Butler money-broking operations to consumer magazines such as Exchange & Mart. Several are seen as vulnerable to competitors.

Mr Arculus's move to be non-executive chairman of both the IPC consumer mag-

azines group and Severn Trent, the water group, amid suggestions that he clashed with Lord Hollick, has led to further disquiet among City investors.

"The trouble with United is that if it did not exist, you would not feel the need to invent it," said one analyst. "It lacks a soul, somehow. There does not appear to be a driving momentum in the businesses," said another.

The management hiatus has only added to these doubts. When Mr Arculus arrived at United 10 months ago from Emap, he was regarded as both a deputy and potential successor to Lord Hollick.

This was partly because Lord Hollick's part-time role as adviser to Margaret Beckett, the industry secretary, takes up two or three hours a day. Mr Arculus was seen as the figure to take on day-to-day operations.

In practice, his role appears to have been squeezed between Lord Hol-

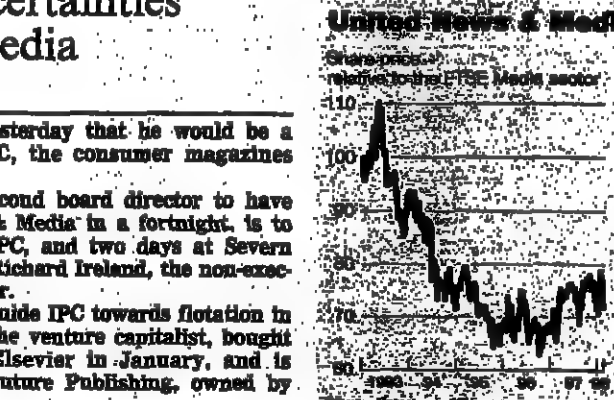
lick and the managers below him. His efforts to expand United's consumer publishing side - possibly by bidding for IPC - also seem to have been thwarted.

United faces the double task when it announces its 1997 results next month of reassuring investors it has management strength in depth, and is making the most of its businesses.

The operations with least appeal are its financial services and newspaper arms. The first is profitable, but very cyclical; the latter will be cut to its core national titles by the sale of United Provincial Newspapers.

While the Daily Express and Sunday Express titles have made some headway against their long decline, they continue to be out-gunned by Associated Newspapers' titles and are valued at only £125m by Panmure Gordon, the stockbroker.

The strong businesses include Miller Freeman, the business exhibitions and



United News & Media

Share price (pence) to end FY97. Market sector: Consumer services. Operating profit by division (m) to June 30 1997. Financial services: £27.3m. Publishing and entertainment: £22.6m.

Consumer publishing: £48.3m. Business services: £27.2m.

magazines division that accounts for £2.4bn of Panmure's estimated enterprise value of £5.3bn. This equates to 85p a share after deducting £1bn of debt.

Miller Freeman was reinforced with the £580m acquisition of the Blenheim exhibitions group in late 1996. Tony Tilt, who had worked with Mr Arculus at Emap, was brought in to take over Miller Freeman from its previous head.

The other focus has been on television, through ownership of the Anglia, Meridian and HTV licences in the ITV network - the last acquired in June last year - and a 59 per cent stake in Channel Five, in which Pearson has a stake.

United was part of a defeated consortium that bid for three digital terrestrial television licences last year. However, it is negotiating to take up digital capacity in other ways.

Its directors point out that it has bought and sold sev-

eral businesses since the merger, making £400m of disposals before the likely £400m to be raised from the regional paper sale, and investing £750m in business services.

"The idea that we lack a strategy for the business is odd, because we have been out and about doing a lot," said one director. Part of the effort has gone into improving margins in businesses it still wants to sell.

Doubts remain, however, over whether its television and business services divisions are yet strong enough. It lags behind Carlton Communications and Granada Group within ITV, and does not have as strong a production arm as Granada.

Some analysts argue that it could attempt to boost this by buying another production company such as Pearson Television. What is clear is that it needs to keep on buying and selling to convince investors that it is on the move.

Its directors point out that it has bought and sold sev-

eral businesses since the merger, making £400m of disposals before the likely £400m to be raised from the regional paper sale, and investing £750m in business services.

"The idea that we lack a strategy for the business is odd, because we have been out and about doing a lot," said one director. Part of the effort has gone into improving margins in businesses it still wants to sell.

Doubts remain, however, over whether its television and business services divisions are yet strong enough. It lags behind Carlton Communications and Granada Group within ITV, and does not have as strong a production arm as Granada.

Some analysts argue that it could attempt to boost this by buying another production company such as Pearson Television. What is clear is that it needs to keep on buying and selling to convince investors that it is on the move.

Its directors point out that it has bought and sold sev-

LONDON FORFAITING COMPANY PLC

CONTINUED SUCCESS in a changing world

"Continuing growth in the business is reflected in the results and the Company is well positioned to take advantage of the opportunities presented by the current changes in the global financial markets."

Jack A.G. Wilson, Chairman.

PRELIMINARY RESULTS

| | Year ended 31st Dec 1995 | Year ended 31st Dec 1996 | Year ended 31st Dec 1997 |
|-----------------------|--------------------------|--------------------------|--------------------------|
| Turnover | £1.383bn | £1.858bn | £2.27bn |
| Profit after taxation | £19.5m | £27.7m | £31.0m |
| Earnings per share | 19.18p | 27.01p | 29.95p |
| Shareholder's funds | £133.1m | £150.8m | £171.8m |

For further information, please contact Peter Phillips.

London Forfaiting Company PLC, 1 St. Katharine's Way, London E1 9UN.
TEL: 0171 481 3410 FAX: 0171 480 7626

OFFICES ALSO IN: Abingdon, Bangkok, Barcelona, Bucharest, Chicago, Düsseldorf, Helsinki, Hong Kong, Istanbul, Limassol, Markgravingen, Milan, Moscow, Mumbai, New York, Paris, Prague, Russendale, San Francisco, Sao Paulo, Stockholm, Warsaw.

RESULTS

| | Turnover (£m) | Pre-tax profit (£m) | EPS (p) | Current dividend (p) | Date of payment | Dividends (p) | Total for year | Total last year |
|-------------------|------------------|---------------------|---------------|----------------------|-----------------|---------------|----------------|-----------------|
| AND Ltd | 30.2 (19.5) | 2.3 (2.7) | 7 (8) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dunham-Bush | 6 mths to Oct 31 | 6.98 (6.31) | 0.998 (0.775) | 2.28 (1.88) | 0.00 | 0.00 | 0.00 | 0.00 |
| Grosvenor Inns | 6 mths to Nov 29 | 11.8 (11.3) | 0.137 (0.11) | 0.37 (0.30) | 3.025 | 3.025 | 17.2 | 13.2 |
| Lloyds TSB | Yr to Dec 31 | (-) | 3.182 (2.505) | 43.7 (31.2) | 11.9 | 7.5 | 12.5 | 11.2 |
| London Forfaiting | Yr to Dec 31 | 2.268 (1.868) | 38.5 (37.9) | 29.95 (27.01) | 6.3 | 2.39 | 1 | 1.27 |
| Massbus | Yr to Dec 31 | (-) | (-) | (-) | 3.4 | 3.4 | 0.0 | 0.0 |
| Total Group | 60.9 (55.2) | 2.24 (2.2) | 8.8 (8.1) | 14.5 (14.5) | 0.00 | 0.00 | 0.00 | 0.00 |

| | NAV (p) | Attributable earnings (£m) | EPS (p) | Current dividend (p) | Date of payment | Dividends (p) | Total for year | Total last year |
|----------------------|--------------|----------------------------|---------------|----------------------|-----------------|---------------|----------------|-----------------|
| Edinburgh UK Tracker | Yr to Dec 31 | 214.12 (179.07) | 2.85 (2.67) | 5.8 (5.49) | 3.1 | 3.1 | 5.3 | 5.3 |
| Wemy & Sons Ltd | Yr to Dec 31 | 200.2 (178.9) | 0.048 (0.312) | 0.21 (1.34) | 0.00 | 0.00 | 0.00 | 0.00 |
| Weldment Charter | Yr to Nov 30 | 401.2 (344) | 4.35 (5.43) | 5.38 (6.71) | 4.2 | 4.2 | 6.7 | 5.85 |

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. £1bn stock. Dutch currency. % comparative notated. AAR exceptional charge. *After exceptional credit. 10m increased capital. \$second interim; makes 4p to date. *Includes foreign income dividend element.

مكتبة الدكتور

IMF warns Indonesia against currency board

By Sander Thomas in Jakarta and Reuters

The International Monetary Fund yesterday warned Indonesia against implementing a rigid currency board now, saying it could damage its crisis-ridden economy by further undermining confidence.

In his most forceful comments on the issue, Michel Camdessus, IMF managing director, said Indonesia should pursue a series of economic reforms before going ahead with its plan to establish a currency board to fix the value of the rupiah currency.

Against the advice of the IMF and big lenders such as the US, President Suharto's government has said it will quickly establish a currency board to fix the value of the rupiah. Such a system would obligate it to use its foreign exchange reserves to back the local money supply - a move that could lead to soaring interest rates in the short term

and put further strains on its banking system.

Mr Camdessus said a number of preconditions needed to be satisfied before a currency board was implemented. "We are of the strong view that this moment has not yet come in Indonesia," he said.

"The failure of a currency board would completely undermine credibility and policy-making, and seriously damage the country's growth prospects," he told the annual meeting in Washington of the Bretton Woods Committee, an economists' group.

He said he was speaking with the unanimous backing of the IMF executive board.

Earlier, the rupiah had nosedived as opposition to the plans for a currency board mounted, further complicating efforts to reschedule \$80bn in corporate offshore debt and secure new trade financing.

At the same time, rising prices for food and fuels brought thousands of people

on to the streets. Rioters set fire to buildings and cars in the western part of Java.

Police announced a ban on meetings, seminars and rallies in the capital during the assembly next month of 1,000 officials who are due to re-elect Mr Suharto.

In early trading, the rupiah fell nearly 22 per cent against the US dollar, from Rp7,800 to Rp9,500, before bouncing back to Rp8,000.

Steve Hanke, a US economist who first suggested the idea of a currency board to Mr Suharto and met him yesterday, said the president wanted to discuss the peg with the IMF first but planned to move ahead regardless of criticism.

Mr Suharto's national resilience council, set up to formulate rescue efforts, meets today to discuss the currency board. Opponents hope that the president's economic advisers may yet talk him out of it.

Max in the News, Page 7

Lord Moyne awaits fate over Trustor money case

By Greg Mohr in Stockholm and Jimmy Burns in London

Swedish prosecutors are close to launching criminal proceedings against Lord Moyne, the Guinness peer, and several business associates in connection with an alleged \$K485m (\$60m) fraud at Trustor, the Swedish investment company.

Bo Skarlander, the Swedish prosecutor leading the case, is to travel to London next week to meet senior officials at the UK Serious Fraud Office to discuss whether proceedings should be brought in the UK or Sweden.

Mr Skarlander said he had received a written opinion from the SFO suggesting that Lord Moyne, Trustor's former chairman, and Lindsay Smallbone, Trustor's ex-managing director and a close business associate, had broken UK law.

The SFO is thought to have advised Mr Skarlander that the grounds for launching a prosecution in the UK against Lord Moyne and Mr Smallbone include conspiracy to defraud and theft.

In Stockholm, prosecutors have already decided they have grounds under Swedish law to charge Lord Moyne and Mr Smallbone with a breach of shareholder trust in connection with the disappearance of \$K485m from Trustor's bank accounts.

Swedish and UK investigators have established that \$K630m was transferred from Sweden to accounts in London shortly after Trustor was taken over by Lord Moyne in June last year. Of this amount \$K135m was subsequently returned to Trustor.

Lord Moyne has admitted he acted as a front for the \$K241m purchase of a 62 per cent stake in Trustor in June last year. However, he and Mr Smallbone have repeatedly denied any wrongdoing. They claim they were duped by a

group of Swedish business associates and assistants.

Two Swedes, Peter Mattsson and Thomas Jansander, have been charged in Stockholm with breaching or assisting a breach of shareholder trust and are on bail.

A third, Joachim Poesner, is wanted for questioning. He is thought to have fled abroad. Investigators are trying to unravel a web of transactions with Trustor money, inquiries have been made in the UK, Sweden, Ireland, the Netherlands, Finland and Israel.

According to prosecutors, large sums were channelled through the private bank accounts of people allegedly involved in the fraud.

Documents show that \$K123.1m was paid to a personal account held by Lord Moyne. Substantial sums were also paid to Mr Smallbone, a close relative, and to a number of companies of which Mr Smallbone is or was a director.

group of Swedish business associates and assistants.

Two Swedes, Peter Mattsson and Thomas Jansander, have been charged in Stockholm with breaching or assisting a breach of shareholder trust and are on bail.

A third, Joachim Poesner, is wanted for questioning. He is thought to have fled abroad. Investigators are trying to unravel a web of transactions with Trustor money, inquiries have been made in the UK, Sweden, Ireland, the Netherlands, Finland and Israel.

According to prosecutors, large sums were channelled through the private bank accounts of people allegedly involved in the fraud.

Documents show that \$K123.1m was paid to a personal account held by Lord Moyne. Substantial sums were also paid to Mr Smallbone, a close relative, and to a number of companies of which Mr Smallbone is or was a director.

Bankers bid to back Prudential share offer

By John Authers in New York

Wall Street investment bankers yesterday launched their campaigns to underwrite the planned demutualisation of Prudential Insurance of America, in what could be the largest initial public offering in US history.

Prudential, the largest US life assurance company, is owned by more than 11m policyholders, meaning that demutualising will be a highly demanding task.

It also has to seek changes in the law in its home state of New Jersey before it can proceed with the move, announced on Thursday. Prudential could yet decide against demutualising if regulators or policyholders strongly oppose it.

As a result, the company said it had not yet appointed investment banking advisers for the deal, which could well result in the most lucrative share offering in Wall Street history. It is still unclear how much money the flotation would raise, but with assets of \$260bn, and capital of about \$20bn, Prudential seems likely to create a huge share offer.

Most of the largest US life assurance companies are still mutual, and an analyst said that for the last year "they've had investment bankers coming through the revolving door trying to talk them into going public".

While 16 states have already adopted laws allowing mutual holding company status, several states with large mutual insurers have not yet done so. The move by Prudential - unrelated to the UK life company of the same name - increases the pressure on its mutual rivals to consider full demutualisation.

Mark Pucella, head of life assurance ratings at Standard & Poor's, said: "There isn't a single major mutual that I know of that hasn't seriously considered either demutualisation or the mutual holding company route."

Pru makes a dash for the 21st century, FT Weekend Page XXII

THE LEX COLUMN

Called to account

Unwilling partners in the arranged marriage between KPMG and Ernst & Young are understandably popping champagne corks over its dissolution. But corporate clients should raise a glass too. If this merger and that of Price Waterhouse and Coopers & Lybrand had gone ahead, big companies on both sides of the Atlantic would have had little choice beyond this duopoly. As the competition authorities seem to have balked at the idea of the Big Six becoming four, it is likely a line will be drawn in the sand after the smaller Coopers/PW merger. Clients will then know where they stand. But even Coopers/PW would have a dominant position with, for instance, more than 40 FTSE 100 clients. So companies should keep on guard against potential conflicts of interest and, if necessary, switch their custom.

While rivals may be smacking their lips too, they should temper their enthusiasm because merger mania has brought an irritating side-effect that will affect them all: increased regulatory scrutiny. One rightful area of concern has been the blurring of lines between the all-important audit and other services, such as consultancy. Shareholders should welcome any new rules that protect the quality and integrity of the audit.

Another unwanted consequence for the accountants might be the loss of self-regulation. Clients ought to welcome this too, given the Big Six's determination to seek alternatives to merger like joint ventures. If the biggest players insist on pooling their resources, they should not be surprised if independent referees emerge.

While 16 states have already adopted laws allowing mutual holding company status, several states with large mutual insurers have not yet done so. The move by Prudential - unrelated to the UK life company of the same name - increases the pressure on its mutual rivals to consider full demutualisation.

Mark Pucella, head of life assurance ratings at Standard & Poor's, said: "There isn't a single major mutual that I know of that hasn't seriously considered either demutualisation or the mutual holding company route."

Pru makes a dash for the 21st century, FT Weekend Page XXII

FTSE Eurotop 300 Index:
1079.7 (+4.6)
Lloyds TSB



though mortgage margins remain strong, market share has slipped under pressure from aggressive pricing by the mutuals.

Lloyds has as good a record as anyone in wringing out costs. Indeed, it looks on track to hit its target of \$400m in annual savings by 1999 by repeating last year's 5 per cent cut in costs. But cost-cutting alone will not be enough to justify the current share price. Lloyds also needs to find the right use for its huge cash flow. This area most in need of bolstering are mortgages and life assurance. Sticking to the UK financial services market, rather than expanding overseas, has proved the best way of maximising opportunities to cut costs. But if acquisitions, perhaps of Nationwide or Prudential, prove too expensive, or unpalatable to regulators, a chunky buy-back would be appropriate.

Bank of England
So it seems Eddie has it. The government has not covered itself in glory by ditching over whether to reappoint Eddie George as governor of the Bank of England. Still, better late than never. It is not simply that "steady Eddie" has good and infectious credentials - without, as this week's inflation report revealed, being an anti-inflation obsessive. More important, the decision - which has yet to be formally announced - puts to rest concerns that the government would appoint one of its allies to the job. That could have undermined the Bank's new-found independence.

Nevertheless, Tony Blair and Gordon Brown could yet come to regret the decision; Mr George is distinctly

cooler towards the European single currency than the prime minister or his chancellor. At present, with British membership of the single currency probably at least four years off, that might seem academic. And, indeed, when the time comes, the government and the Bank may see eye to eye over whether it is right to join. But, then again, they might not. In that event, there would be two concerns. First, there could be a conflict between the optimal monetary policy needed to hit the Bank's inflation target and that needed to prepare for economic and monetary union. Second, a disagreement between the Bank and the government on such a sensitive matter could, in certain conditions, undermine financial markets. Admittedly this is unlikely, but it cannot be completely discounted.

Football pay

Whatever the whole truth about Rudi Gutts' dismissal as Chelsea's player-manager, football investors will be delighted that the public reason is refusal of a pay demand. Players were a bit slow off the mark earlier this decade in grabbing their share of increased revenues from television, higher ticket prices, sponsorship and so forth. In the past two or three years, they have simply caught up. Pay awards at most clubs have outstripped rises in turnover, threatening margins.

It is worth remembering, however, that the football business has always been vulnerable to player costs: if not wages then transfer fees. But there is also another side of the argument. Players are the most important investment a club makes. If a club drops out of the Premiership, it loses roughly \$2m in revenue in the first year and more thereafter. That is greater than a 25 per cent increase in even the biggest club's pay bill.

Obviously big rises cannot go on indefinitely. The statements being made not only by Chelsea but by other clubs should be translated into action. The scope for performance-related pay, including share schemes, should also be examined. But this is not a panacea because players will push for pay security in their short careers. The bottom line is the same as in any other business: good management. Nurturing home-grown talent and shrewd bargaining with players over pay and transfers will continue to sort out the first teams from the reserves.

Companies in this issue

| | | | |
|-------------------|-------|------------------|-------|
| Abbey National | 17 | Emerson Electric | 22 |
| Adventia | 8 | Ernst & Young | 23, 1 |
| Airbus | 4 | FKI | 22 |
| Alcatel | 23 | Ford | 6 |
| Anite | 22 | GEC | 22 |
| Argos | 17 | GMO Holdings | 23 |
| Astec (BSR) | 22 | Goldman Sachs | 22 |
| BT | 23 | Guinness Peat | 22 |
| Barclays Bank | 8 | Hallmark | 1 |
| Bluebird Toys | 22 | KPMG | 23, 1 |
| Caterpillar | 4 | Kirin Brewery | 23 |
| Cheslea FC | 8 | Ladbroke | 22 |
| Coopers & Lybrand | 17 | Lloyds TSB | 17 |
| Deutsche MG | 23, 1 | MBNA | 8 |
| | | MCI | 23 |

Markets Latest

| | | |
|-----------------------|-----------|------------|
| FTSE 100 | 1,079.7 | (+4.6) |
| Yield | 2.88 | |
| FTSE Eurotop 300 | 1,079.7 | (+4.6) |
| FTSE All-Share | 1,079.7 | (+4.6) |
| Nikkei | 19,791.87 | |
| New York: Dow Jones | 8,948.42 | (+32.18) |
| Dow Jones Ind. Ave | 1,079.7 | (+4.6) |
| S & P Composite | 1,079.7 | (+4.6) |
| 3-mo Interbank | 7.1% | |
| Life long gov. bill | Mar 1997 | (Mar 1997) |
| US 3-mo Treasury bill | 5.1% | |
| 3-yr Treasury bill | 5.05% | |
| Long Bond | 10.2% | |
| Yield | 5.88% | |
| US 30-year T-bill | 5.1% | |
| 3-yr Treasury bill | 5.05% | |
| Long Bond | 10.2% | |
| Yield | 5.88% | |
| US 30-year T-bill | 5.1% | |
| 3-yr Treasury bill | 5.05% | |
| Long Bond | 10.2% | |
| Yield | 5.88% | |

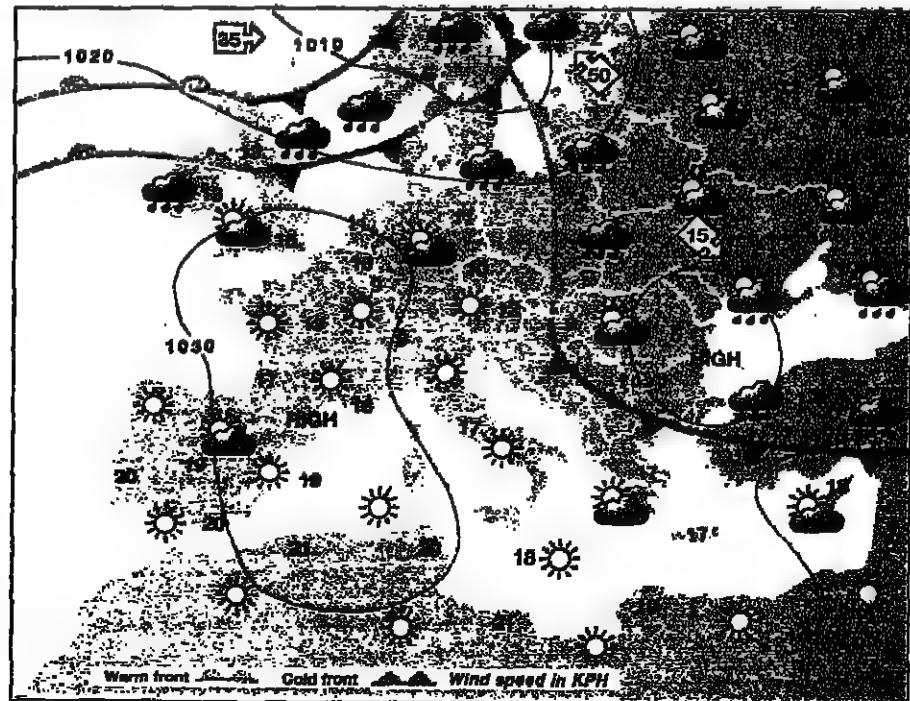
FT WEATHER GUIDE

Europe today

Scandinavia will be unsettled with rain in all but the far north and east, and this will fall as snow over the mountains. The Low Countries, Germany, Austria, Switzerland and France will have early mist and fog patches. However, most parts will turn out sunny and everywhere is expected to be dry. The bulk of the Mediterranean, including Iberia, will be warm and settled with plenty of sunshine. More eastern parts of the Mediterranean will have more cloud. The Balkans will be mostly cloudy with rain in places. Eastern Europe will have showers of rain or snow in many parts.

Five-day forecast

Scandinavia will have rain in all but the far north and east, and this will fall as snow over the mountains. Western Europe and the bulk of the Mediterranean will be dry with plenty of sunshine, apart from the northwest of Spain and Portugal, which will have showers. The Balkans will have rain in places. Eastern Europe will have showers of rain or snow in many parts.



TODAY'S TEMPERATURES

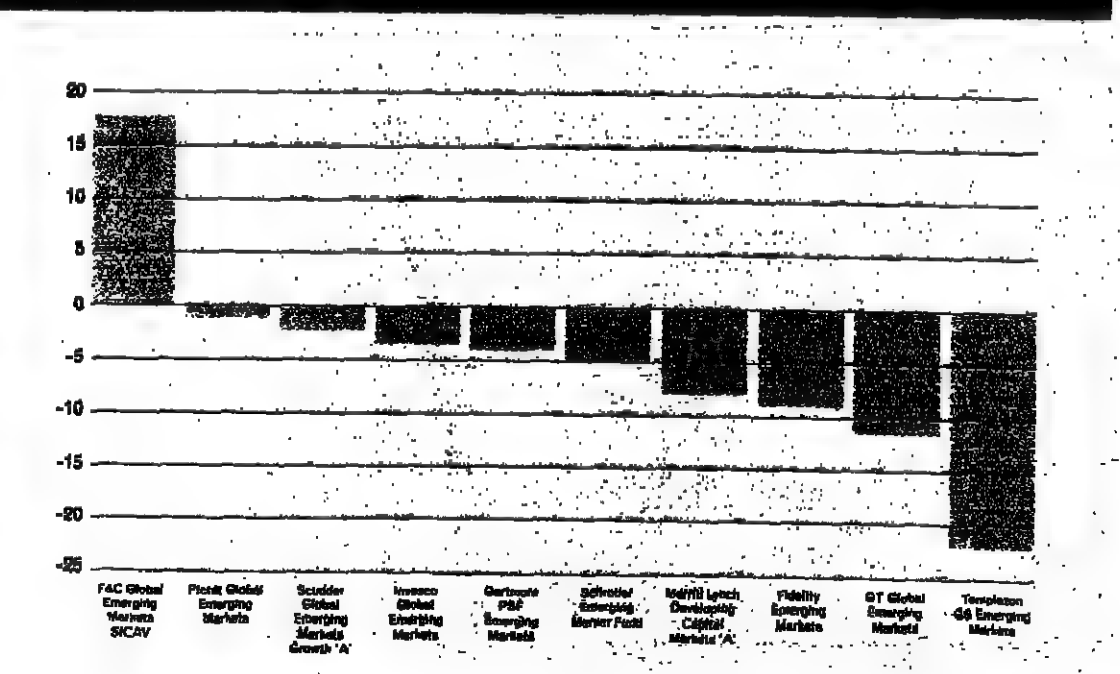
| | | | | |
|---------|--------------|------------|-------------|------------|
| Maximum | Beijing | Sun 5 | Cardiff | Fair 14 |
| Minimum | Celcius | Sun 12 | Casablanca | Fair 20 |
| | Belfast | Drizzle 12 | Chicago | Cloudy 4 |
| | Birmingham | Fair 11 | Cologne | Fair 12 |
| | Bombay | Fair 21 | Dallas | Fair 26 |
| | Brussels | Thunder 20 | Dublin | Shower 16 |
| | Buenos Aires | Fair 17 | Hamburg | Fair 25 |
| | Calcutta | Sun 34 | Helsinki | Fair 27 |
| | Cairo | Fair 10 | Hong Kong | Cloudy 25 |
| | Canberra | Drizzle 9 | London | Cloudy 13 |
| | Chengdu | Fair 14 | Madrid | Thunder 31 |
| | Colombo | Sun 20 | Moscow | Fair 13 |
| | Dhaka | Fair 28 | Mumbai | Shower 23 |
| | Delhi | Fair 28 | Nairobi | Sun 18 |
| | Dubai | Fair 28 | Naples | Sun 17 |
| | Edinburgh | Fair 28 | New York | Sun 17 |
| | Frankfurt | Fair 28 | Osaka | Sun 17 |
| | Geneva | Fair 28 | Paris | Sun 17 |
| | Hankow | Fair 28 | Rangoon | Sun 34 |
| | Hong Kong | Fair 28 | Seoul | Thunder 23 |
| | Kobe | Fair 28 | Singapore | Sun 17 |
| | Kuala Lumpur | Fair 28 | Sri Lanka | Fair 15 |
| | London | Fair 28 | Taipei | Fair 7 |
| | Lyons | Fair 28 | Tokyo | Thunder 23 |
| | Manila | Fair 28 | Ulaanbaatar | Fair 9 |
| | Medan | Fair 28 | Yokohama | Fair 9 |
| | Mexico City | Fair 28 | | |
| | Moscow | Fair 28 | | |
| | Mumbai | Fair 28 | | |
| | Nairobi | Fair 28 | | |
| | Naples | Fair 28 | | |
| | New York | Fair 28 | | |
| | Osaka | Fair 28 | | |
| | Paris | Fair 28 | | |
| | Rangoon | Fair 28 | | |
| | Seoul | Fair 28 | | |
| | Singapore | Fair 28 | | |
| | Sri Lanka | Fair 28 | | |
| | Taipei | Fair 28 | | |
| | Tokyo | Fair 28 | | |
| | Ulaanbaatar | Fair 28 | | |
| | Yokohama | Fair 28 | | |

Frankfurt.
Your hub to the heart of Europe.

Lufthansa

Foreign Colonial
Foreign & Colonial Emerging Markets Limited

Amongst the jewels of emerging markets, there is only one GEM



Source: S&P Microcap-US\$ % change in NAV 1st January 1997 to 31st December 1997

مكتبة النخيل



Room of Desire

'Images allegedly reflecting my secret wishes were flashed on to a screen for all to see'



When in Greece...

'In my days in Athens, Kolonaki was the acme of chic, as new blocks vied to offer ever greater luxuries'



A pair of one-offs

'You want all your figure problems solved, and you damn well want to be sure no one else is wearing your dress'

Page IV

Page XIV

Page X

Black man's burden

To leave behind a troubled past, Africa must have confidence in itself, argues Nicholas Woodsworth

The street people of Dakar - hustlers, beggars, pimps, shoe-shine boys, pickpockets and all other manner of sidewalk entrepreneur - do not know what to make of Jangar Hodari.

Other newly arrived foreigners, instantly recognised for the fresh meat they are and aggressively pestered at every step, treat the avenues of the Senegalese capital as an assault course - they hold their heads down and keep moving. Just make eye contact here, and you are soon trying to extricate yourself from the purchase of a smuggled watch or a young girl.

But Hodari is not interested in watches or young girls. Nonetheless, he positively *likes* these contacts. His palm rises to meet theirs with a resounding smack, and, in his laughing, self-confident American way, takes the initiative from them.

From the window of my hotel off Avenue Georges Pompidou, I see that after three days here Jangar Hodari has found himself a rickety wooden bench in the shade of a corner shop. A powerfully built man, dressed in a Cardinals baseball cap and a Negro League T-shirt, he passes the day in the company of a curious and ever-friendlier entourage of street people. He has, for the time being, become a street person himself.

Despite the African name he has adopted, Jangar Hodari is a middle-class black Missourian from St Louis. He has taken time off, he tells me, to see West Africa, "the place I originally come from".

So far he has visited the Ashanti slave castles in Ghana and the Cameroonian villages which provided slaves. His object of pilgrimage in Dakar is nearby, the ill-famed island of Gorée. For more than 300 years, Gorée was West Africa's principal slave-shipping post. From this part of the continent alone, 15m Africans departed forever, one fifth of them perishing en route.

With its weighing rooms, fattening rooms, loading door looking seawards to embarkation and a hopeless future, I like most white visitors, find the Slave House on Gorée Island a sad and eerie place.

As a black man, Hodari tells me, it makes his flesh crawl. He hears voices crying out, he says, and he wants to help. And they are not only the voices of the dead and departed, but the voices of those still here.

We watch a smiling boy crawl past the bench, his

head inches from the ground, his hands grasping a tin for corn, his thin legs so deformed that they rise grasshopper-like above him. How, Hodari sighs, do you cope with a vision like that?

How, indeed, does anyone cope with an entire continent that, from the great disrupting upheaval of the slave days to the present, has failed to put itself to rights? Here is a continent whose entire GDP south of the Sahara is equivalent to just one fifth of that of France. Here, half the population of 500m Africans lives on less than one dollar a day. Here, out of 1,000 children born, 90 are dead before their fifth birthday.

Hodari, for all his good will, has no answers, and must content himself with sidewalk commiseration. I have no answers, either. Ten years ago, when I lived and worked in black Africa, I thought I did - recovery, however challenging, lay in getting the economics right.

And so, partly, it does. But after 20 years of generous bilateral aid, four World Bank structural adjustment loans and two IMF structural adjustment facilities, the prospects for the vast majority of Senegalese remain bleaker than ever. Today, poverty, illiteracy and low life-expectancy place Senegal 13 places from the bottom of the UN development table of 173 countries.

Why is Africa struggling so hard to so little result? Sitting beside Hodari, I can only think the reasons are other than purely economic. In coming to Africa, Hodari is attempting to build self-confidence out of a painful and degrading past, trying to confront the fate that has made him. He makes me wonder how Africans see their ability to control their lives. Economics aside, can African failure or success lie in that same question of self-confidence?

Suggest to a Senegalese that Africans, battered so long by disappointment, have lost their sense of self-confidence, and you will be vigorously rebuffed. Africans, I am told again and again in Dakar, have every belief in individual capacities. Indeed, one need look no further than the streets to see a remarkable vitality and resilience.

But as the days pass and I move from one encounter to another, I am struck also by a deep anguish, a sense of helpless drift that approaches despair. What Africans have lost is faith in leadership and many of the social institutions - including those of traditional African origin - that cripple their individual efforts.

One morning at the Dakar railway station, a once-magnificent, now dilapidated, remnant of French colonial power, I meet Daly Fall. A graduate in economics, Fall scrapes a living as a freelance forwarding agent. If he could, he would leave Africa tomorrow.

Like all Africans, Fall tells me, he believed that education was the key to a better life. But as France's once-powerful colonial influence has declined, so have educational standards. Today, more than 40 per cent of Senegalese children do not go to school at all.

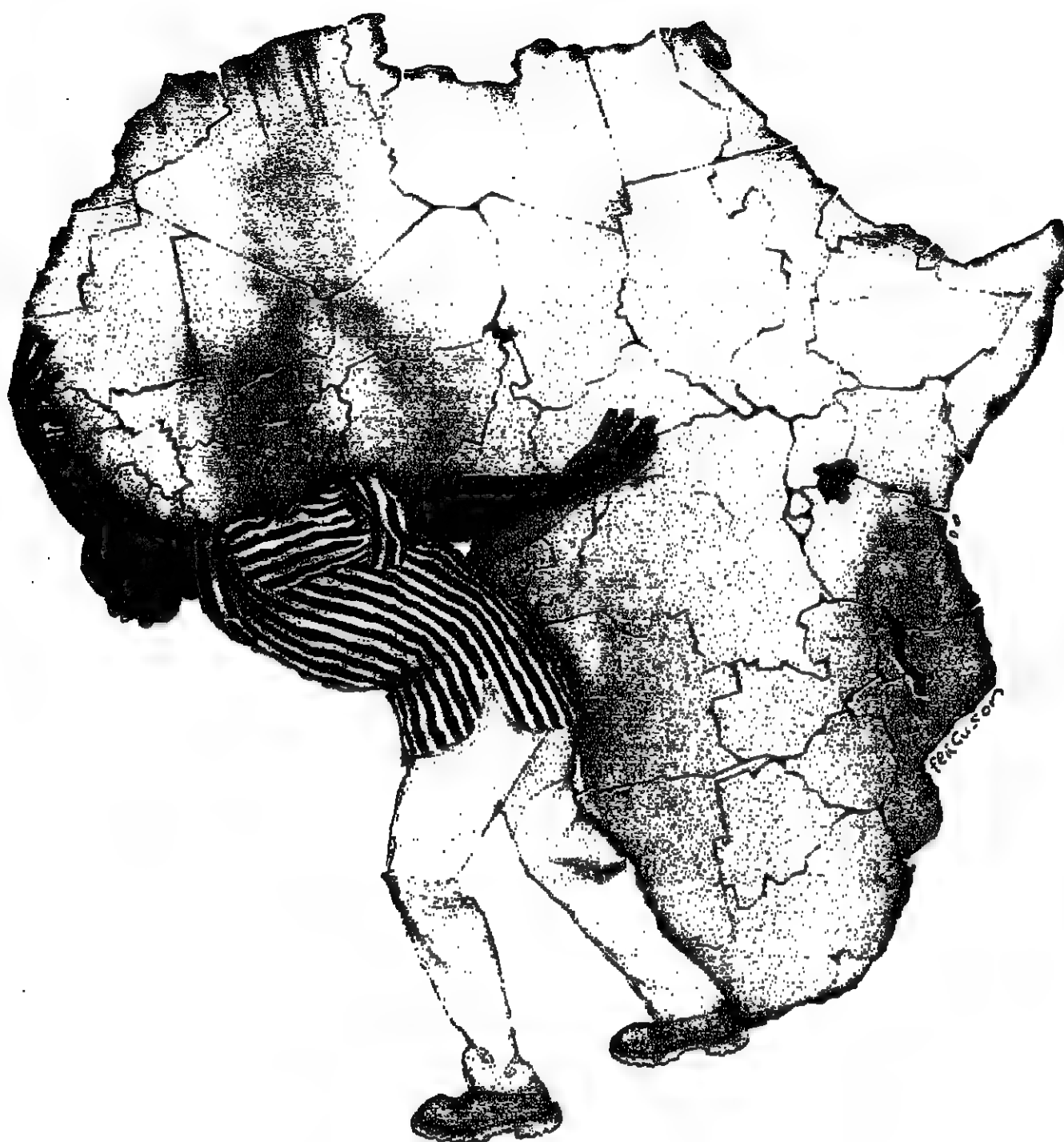
But the truth, as an entire despairing younger generation of Africans knows, is that education, intelligence and hard work are not enough. In a system where an entrenched and privileged elite maintains a firm grip on the reins of political and economic power, Africans rise by connection, by favour-granting, patronage and corruption. It is generally accepted by most young Senegalese that to get ahead one must not only be educated, but dishonest as well.

It is a realisation that leads to vast frustration, anger, and an outraged sense of injustice. Some of this feeling is vented through political activity and a lively press. But even in a plural system such as Senegal's, democracy has its

limits. While many of the advantages of the country's formerly strong ties with France are eroding, in business and politics Senegal has proved reluctant to relinquish a *dirigiste*, statist style of control bequeathed by its colonial ruler.

Poor education, disillusion with public life, and a growing gap between rulers and ruled can only undermine self-confidence. But at least, I say to myself as the days progress, Africans can fall back on the traditional social institutions.

Not all Africans agree. When I suggest over dinner one evening to Mamadou Niang, a senior port official at the Dakar docks, that the extended African family provides a safety net in the absence of western-style social security, he smiles.



"How can I save enough to make a real safety net?" Niang responds. For the family head is feeding not only me, but his two wives and their children, and two other related families as well - in all, 30 dependents. However compassionate, the traditions of the extended family which preclude accumulation of capital, prevent millions of Africans from making any kind of investment in their future.

At least religion helps hold things together, I think one noontime as Dakar comes to a standstill for Friday prayer. As an entire city prostrates itself in the streets, I can only marvel at Islam's social cohesiveness.

I am wrong again. The marabouts, or sect leaders, of Senegal's large and highly influential Islamic brotherhoods are closely connected to the political elite. For ordinary Senegalese, religious influence peddling and the hidden relations between Islam and the state are a source of much frustration.

And what of "Africanism" itself? Since independence, African leaders from Senegal's Leopold Senghor to Tanzania's Julius Nyerere have promoted a semi-mystical, elevated concept of the African character. Carrying such labels as "Negritude" or "African Humanism", it identifies a special quality in African social ties - a propensity for egalitarianism, a certain ease, intimacy and compassion between all brothers of the great African family that is entirely foreign to the European mind.

It is evident that such a philosophy, while oiling the wheels of human relations, is also a basis for human abuse. Easy, informal relations without the clear-cut accountability of a civil society are just one blurred step

away from corruption. They encourage a lack of rigour and the ethical bankruptcy that today is deeply rooted in African political and business culture.

Has Africa now wholly lost self-confidence? I do not think so. One day I met Cheikh Faye, the son of a farmer. The winner of a scholarship in business management and mineral engineering at Penn State University in the US, he today runs a successful private mining consultancy.

Faye has chosen, despite the odds, to return to Africa. However slow, he assures me, there is change on the continent. African elites are as loath as ever to permit radical change - allowing the fair access to opportunity all Africans so badly need would destroy them.

But Africa cannot escape worldwide trends. As globalisation and the pressures to privatise advance, the tight control of African economic elites recedes. As former colonial rulers disengage themselves from African clients, external support for political cliques diminishes.

More important, so fierce is the disillusion that large numbers of educated Africans are no longer buying into the institutions of the past. African philosopher-politicians are discredited, traditional beliefs are failing to satisfy needs, and a new generation is desperate for practical answers.

Africa needs change. A pre-condition to doing anything about its overwhelming problems is a belief that it is worth it. The hope is that self-confidence may return to the point that outsiders such as Jangar Hodari will want to reinvest in Africa, frustrated young people such as Daly Fall will cease to want to escape it.

It is generally accepted that to get ahead one must not only be educated, but dishonest as well

limits. While many of the advantages of the country's formerly strong ties with France are eroding, in business and politics Senegal has proved reluctant to relinquish a *dirigiste*, statist style of control bequeathed by its colonial ruler. Poor education, disillusion with public life, and a growing gap between rulers and ruled can only undermine self-confidence. But at least, I say to myself as the days progress, Africans can fall back on the traditional social institutions. Not all Africans agree. When I suggest over dinner one evening to Mamadou Niang, a senior port official at the Dakar docks, that the extended African family provides a safety net in the absence of western-style social security, he smiles.

Contents and columnists

| | | | |
|-------------------|-----------|------------------|-------------|
| Arts | VII, VIII | Motoring | IX |
| Arts Guide | XIX | Perspectives | II-IV |
| Books | V, VI | Property | XII-XV |
| Education | XVI | Joe Rogaly | III |
| Fashion | X | Science | II |
| Food & Drink | XII | Small Businesses | II |
| Gardening | XIII | Sport | XX |
| How To Spend It | X, XI | Travel | XVII-XXI |
| Lunch with the FT | III | Weekend Investor | XXII, XXIII |



Joe Rogaly
Actor politicians

'You must be able to change a sincere face at the ping of a soundbite'

Page III

NEXT WEEK

Painting by numbers

The money and the corporate glory in making Old Masters

In FT Weekend

Chopard
GENÈVE

ALL YOU NEED IS LOVE.

VISIT THE NEW CHOPARD 'ESPACE'
AT HARRODS AND DISCOVER
AN EXQUISITE RANGE OF
FINE JEWELLERY AND WATCHES,
INCLUDING THESE
DIAMOND AND GEM-SET
LOVE RINGS - PERFECT GIFTS
FOR VALENTINE'S DAY.

Fine Jewellery. Ground Floor.

Harrods
KNIGHTSBRIDGE

Harrods Limited, Knightsbridge, London SW1X 7NL. Telephone 0171-730 1234.

PERSPECTIVES

Minding Your Own Business

A wheeler dealer peddling his trade

Tom Linton reports on a frame-maker who found more support in the UK

Dimitri Katsanis is proud that none of the carbon-fibre frames he makes to measure for Olympic and international cyclists has ever broken under a rider. He points out that some carbon composite frames - those made in two sections and glued together - have been known to split along the glue line with unpleasant consequences. "Some of the riders are very big and powerful," Katsanis explains. "They put everything into their riding and are not at all happy when that happens."

The secret of Katsanis's lightweight frames is that they are wound by hand around a matrix. Because there is no glue line to provide weakness, he picks up a discarded carbon-fibre brace he has been experimenting with and begins to thrash it violently against a pallet. He is very powerful and the noise is deafening as composite material thrashes against wood. He offers the item for inspection. Needless to say, it is unblemished.

Katsanis, 33, a member of the Greek national cycling team between 1983 and 1991 and his assistant coach for two years after that, started manufacturing monocoque frames in February 1996 while studying composite



Dimitri Katsanis: "Enthusiasts are prepared to pay a bit extra"

engineering at Plymouth University. Before that, he had worked on a few prototype versions in the university's composites laboratories during his foundation year. Since then, he has supplied frames to 11 national cycling teams and to four world champions. Twelve of his bikes raced in the 1996 Olympics.

The frames are not the traditional diamond or triangular shape. Rather, they look like a futuristic cross with housings at the extremities for the saddle, pedal assembly, forks and rear wheel.

Although his high profile in cycle racing gave him an entrée into the market, he still had to prove that his frames could withstand punishment. He designed his first production frame in 1994, again while on the foundation year.

He gave it to a member of the Greek national team who "broke the national sprint record twice that season and finished tenth in the world championships. On the strength of this, the Italian team ordered a bike," Katsanis says.

"I used to make steel bikes in Greece before that. I said to the Italian team coach, 'Hey! Mario, I make carbon bikes now', and he asked me to make one for him without even knowing how it looked or performed. He gave it to Gianluca Capitano, one of

his riders, who finished seventh in the 1994 world championships.

"It is one of the oldest bikes being ridden in championships. He rode it in 1994, 1995 and 1996 and now someone else is still riding it. Normally, they have a new bike every season. The Italian team is one of the richest and, because they have so many manufacturers, they can choose between steel, carbon and titanium bikes. Yet Gianluca insisted on racing with my bike for year after year. So quite a few others started asking me for bikes."

Recently, two members of the British national sprint team ordered his frames to race in this year's World Championships and Commonwealth Games. He is hoping that the third member of the team will follow their example.

Katsanis can sell a racing frame for between £1,500 and £1,700, depending on specifications. "If you think that is expensive, it is not. A well-known manufacturer's production version costs £2,200 for one of two standard sizes. It weighs 2,150 grams. My version is about 1,400 grams - about 1lb 10oz lighter. My version is also made to measure. When a rider shops around and adds some fancy equipment, the cost can soon zoom up to £3,500 to £4,500."

In spite of the demand from international riders, the market for road and racing bikes is limited; less than 5 per cent. The future lies in mountain bikes. "Some riders are always looking for something different to ride. Ninety-nine per cent of mountain bikes have

the traditional diamond-shaped frame. Enthusiasts are prepared to pay a bit extra for something that looks better so they can impress other riders."

Katsanis is in negotiations with a British manufacturer of mountain bikes to produce 1,000 frames a year which could take the turnover of his Metron Advanced Equipment to about £300,000 a year once expected production volumes are reached.

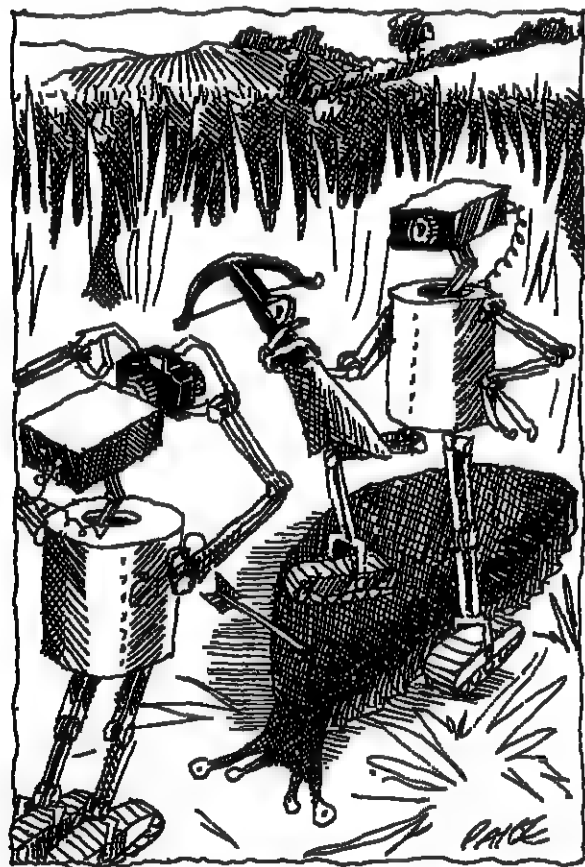
Even with his present manual production methods, he reckons he could supply demand, though he would need extra staff. At present, he employs one person full-time in a small industrial unit about three miles from the university. He has also produced a mountain bike frame of his own design which he intends to market either as a simple frame which retailers can make up or as a ready-to-ride bike kitted out with bought-in accessories.

Recent hectic activity has meant that his studies have to some extent taken a back seat, but he has an arrangement with the university to extend his final year's work over two years if necessary. Even so, he hopes to finish the course this year. "I go into the unit in the morning and then dash off to the university to do lectures before returning to the unit again. I usually stay until 7 o'clock or later, go home and make something to eat, and then start studying. If I get out in the evening once a month I'm more than happy. I want to finish my studies this year because I have several other projects involving carbon composites which will take more of my time if they work out."

Katsanis, a graduate of Athens University in physical education and sports science, started with savings of £5,000. He received a loan of £3,000 from Enterprise Plymouth and a bank overdraft of £3,000. During six months in 1996 he made 25 bikes which gave him a turnover of about £25,000 and allowed him to pay off his debts.

He would like to raise more finance to expand but has found the banks less supportive. "I run a house. If I had a house to put against a loan I believe they would help me. Their argument is that when a product is in its development stage a lot of money goes out but not much comes in."

He came to Britain because the technology he



Researchers at the University of the West of England, Bristol, predict that in the next two years a new species will emerge to prey on local populations of slugs.

The predator will be nocturnal and have a voracious appetite. Each will take more than a kilogram of slugs from the fields of winter wheat every night.

The researchers making these predictions are not biologists foretelling the evolution of a new species, but engineers from the university's Intelligent Autonomous Systems Laboratory who have won a research grant to design a self-sufficient robot. According to Owen Holland, who leads the team, no one has yet come up with a robot that can survive in a natural environment and operate without human intervention.

Even the Mars explorer, working on its own hundreds of millions of miles from base, received instructions from mission control every night telling it what to do the next day.

The Nature of Things

Slug hunters of the night

Andrew Derrington on the mooted diet for self-sufficient robots

The slug hunters will be completely autonomous. They will operate for weeks or months without any instructions. Their mission seems less complicated than the Mars explorer's but it is more ambitious. They have to survive by living off the land, in the same way that an animal or a colony of insects might.

Just like animals and insects, robots need energy to survive. In a laboratory or factory they can use mains electricity or batteries recharged from the mains. The Mars explorer recharged its batteries with solar power during its short life, but harvesting solar power is an activity better suited to vegetables than animals.

It's a matter of sitting still with solar panels extended - which might not be viable in the rainy west of England. An active robot needs to derive its energy from food, and when it comes to energy content, meat is hard to beat.

To get its meat from the land, the autonomous robot needs to be a hunter. But it must choose its prey more carefully than any biological predator. In common with them it must choose a species that is plentiful, easy to catch and rich in energy. But as the offspring of a publicly funded research project, it must respect other requirements. The prey must be unpropagated by law and unloved by the public. Ideally it should be an expensive, slow-moving, unloved and meaty pest.

By these criteria, the slug is ideal. A garden pest, loathed by the public, it costs British agriculture more than £10m a year to buy slug pellets, and another £10m to spread them on the fields. It is also meaty - the largest British slugs are more than 15cm long; and abundant - there can be more than 200 slugs a square metre in the fields of winter wheat that are the ecological niche Holland has chosen for his robot.

To extract energy from the slugs, the robot will kill them and ferment their corpses to produce biogas, and then generate electricity from the gas. The fermenter and generator are too heavy for any feasible robot to carry across muddy fields without getting bogged down.

Holland's plan is that they will be part of an immobile base-station or nest. A team of four robots will hunt

slugs and take them back to the nest, where they will dump their slugs in the fermenter and recharge their batteries.

Most of the components the robots need are available now, but they will need a unique set of abilities and behaviours to survive for months in the fields. "You find a whole new range of problems as soon as you take a robot outside the lab," says Holland. Mud is one of the worst. Not only does it make it difficult for the robot to move, it also means that it needs to be able to clean itself, like an animal.

Energy has to be budgeted carefully in everything the robot does. Just like any animal, it will starve to death if it runs out of food. To hunt efficiently, it will spend most of its time sitting still and scanning the ground around it using a 2m carbon-fibre arm that carries a video camera to spot the slugs and a gripper to pick them up.

The arm and its movement controller are being designed to be as smooth as possible - starting and stopping takes up extra energy. Holland expects each robot to dine off an area of over 100 sq m every night.

Giving the robot all these abilities creates yet another problem. It has to be clever enough to decide what to do. Should it scan for slugs, move to another hunting position, or take its slugs back to the nest? When it is back at the nest and recharged, it needs to know whether it is worth going out to look for more slugs and where to look for them.

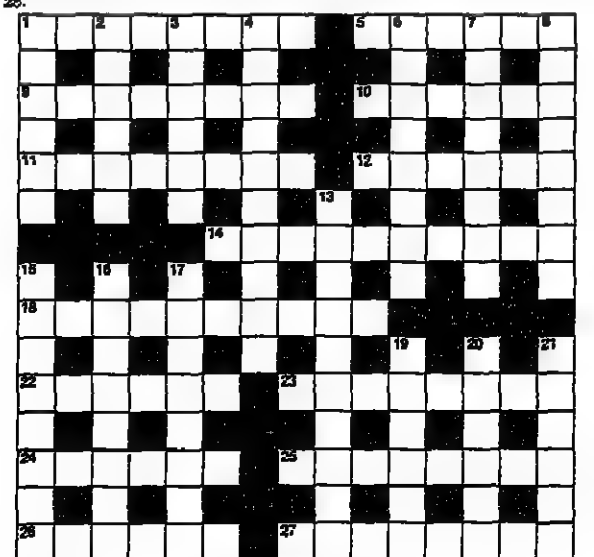
Just as in real life, when the living is easy and food is plentiful these decisions are not difficult. The real test of the robot will come if the slugs start to keep their heads down.

The author is professor of psychology at the University of Nottingham.

CROSSWORD

No. 9,607 Set by DINMUTZ

A prize of a classic Pelican Souverain 800 fountain pen for the first correct solution opened and four runner-up prizes of Pelican M20 fountain pens. Solutions by Wednesday February 25, marked Crossword 9,607 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday February 26.



Name: _____
Address: _____

WINNERS 9,595: Mrs L.M. Machin, Bromborough; M. Chevasut, Healdgate, North Yorkshire; Margaret Lutton, Welwyn Garden City, Herts; Miss J. McMaster, Bieldside, Aberdeen; J.L. Sullivan, Fairview, Dublin.

- ACROSS**
- Controlling talking-bird, do not put outside (6)
 - Out of business, near dead (5)
 - Fellow eater, taking jam and minced meat (4-3)
 - Result in English and Latin, usually? (6)
 - Devon area permits summer visitors (8)
 - Private artilleryman (8)
 - The man-of-the-match? (10)
 - Formerly dissolute rich parson coming to grief (10)
 - English money changed for small freeholders once (5)
 - One who falls for a film-director? (8)
 - Selected Korea as Japanese province (6)
 - Made more menacing by file I dug out? (8)
 - Turkey on plates, to consume by beginning of year - as convention (6)
 - Mother is working out map line (8)
- DOWN**
- End of motorway's running through river? (6)
 - Loss million on Scottish side (6)
 - Director in line-out is alert (6)
 - School erected with brick that is exceptional (10)
 - Polish one's literary style? (8)
 - The main tear-jerker? (3-5)
 - Benefits of vast agenda, perhaps (10)
 - Does one tack on cold sheets? (3-5)
 - Pair in secret formulated a wood preservative (8)
 - Pick when a denture is being repaired (8)
 - To stand firm in chains is tough (6)
 - High court judge makes university head prime suspect (6)
 - Wreath - article made to order (6)

Solution 9,606

SIMPSON FARMER
H A A R P N E
EUROPEAN APPEAR
T I T Y G O N E
KEYBOARD COCOON
H R P I E V N T
S C A N D A L I S E
A A B I L L C D
C O M M A N D E R
A B E R O A U
D I R E C T S P E C I F I C
O R G T U S S
B U R K E T D I S A D V A N T A G E
I I A S V S E
C L A U S E T E L E P H O N

Solution 9,595

OCCUPY CHAPATTI
R O U B E O A S
I N V I S I O N A T L A N T I D
S K I T A T T I O N
N E R O H I G H S C O O L
W O P N H E E
A W A K E N P E R V A D E
L G S C H I K K I N A N D O I S
S I G R B I G
L I T E R A T U R E A N T I
O C L L Y S T I M
P E R S O N A A T T I C L E
E D N N L O A A
S E A W E E D S S P I N E T

BRIDGE

Holding four trumps is one of the strongest defensive features you could wish for, even if they are small ones.

However, while fate has dealt you the ammunition, you are responsible for making sure you hit the target.

N
♠ 83
♥ J95
♦ K864
♣ KJ76

W E
♠ 9642 ♠ 75
♥ 7 ♥ 108643
♦ QJ109 ♦ A762
♣ A842 ♣ 109

S
♠ A K Q J 10
♥ A K Q 2
♦ 3
♣ 53

North East South West
- NB 2S NB
2NT NB 4S

The bidding was not sophisticated, but it proved effective enough. West led his singleton 7 to South's A7. Declarer drew trumps, and played on clubs until A5 was dislodged. Still holding a trump to control proceedings, declarer ruffed the second round of diamonds, and claimed 11 tricks.

The tip here is not to lead a shortage when you hold

four trumps. Lead your longest suit, hoping to force declarer to trump in his own hand, shortening his own holding, and putting him out of control.

Despite the modesty of West's spade phs, that can be achieved here. On Q4 lead, declarer loses the first trick, and ruffs the continuation - he is down to four trumps. He cannot pull all West's trumps now, as he still has to dislodge A5.

So, he draws a couple of rounds, discovers the bad break, and tries a low club from hand. West rises with A5 immediately and plays a third diamond. Declarer ruffs, but now he has only one trump to West's two.

When South tries to cash his heart winners, West can trump and lead his final diamond. When South ruffs this, it is with his last trump. West still has a trump, however, and that is the setting trick.

Unbid doubletons are bad leads, as are singletons when you have a likely trump trick anyway. A forcing defence is the route to success - and that means leading your side's longest suit immediately.

Paul Mendelson

In the past few years, Slough has become the best-known chess club in Britain after Hastings through its policy of signing up top grandmasters for its team in the Four Nations Chess League (ANCL).

Slough's manager Nigel Johnson has the avowed aim of creating a "Manchester United of chess", and a squad including Adams, Miles, Hodgson and Kosten would expect to crush most opponents. However, it has not happened.

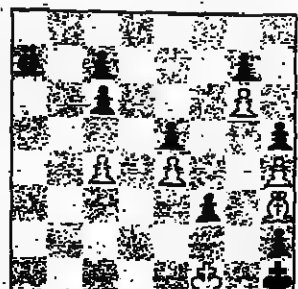
Slough's GMs are often away at overseas tournaments and matches, to the advantage of Midlands Monarchs, last year's ANCL champions who are leading again this season. MM is actually a blend of experienced Midlands GMs with rising Oxfordshire talent; Cambridge especially has several of the UK's best young players as undergraduates.

Despite occasional glitches, ANCL matches are well-run with regular progress bulletins, and there are often interesting pairings. Here, the British No. 1 defeats the 14-year-old prodigy by a queen sacrifice (M Adams v L McShane).

1 ♠4 of 2 ♠3 N6 3 ♠5 N4 4 N3 N5 5 ♠4 N6 6 ♠3 46 7. ends ♠4 8 ♠2 ♠5 9-0

White mates in five moves at latest, against any defence (by C Russ, British Chess Magazine 1998).

Cohn Russ, creator of this mini-puzzle, is secretary of the British Chess Problem Society, whose bi-monthly



magazine, The Problemist, contains many interesting diagrams for solving.

For a free specimen copy, write to him at 76 Albany Drive, Herne Bay, Kent CT6 8SJ.

Solution, Back Page

Leonard Barden

هكمن النهريل



Joe Rogaly

The actor as politician – and vice versa

We take a relaxed view of thespians becoming elected officials, but alarm bells should ring when the tables are turned

An alluring prospect is dangled before our eyes. Glenda Jackson, actress and politician, is said to be ready to run for mayor of London. Perhaps she will. We are allowed to dream, are we not?

Ms Jackson could have been one of the British actors nominated for an Oscar a few days ago, but it looks as if her years of film stardom are behind her. After all, she is part of Her Majesty's government, a parliamentary under-secretary of state at the Department of Transport.

This might be an elevation. It depends on your point of view. You may remember her in *Women in Love*, for which she won an Oscar in 1971, or in *A Touch of Class* (Oscar, 1974) or as a fearsome Queen Elizabeth I in the TV series. Judi Dench, up for

the little statuette this year, is a marvellous Queen Victoria in *Mrs Brown*, but Britain's p.u.s.s. for transport could surely have done as well.

Second-best would be to have her in a permanent costume role as London's Hizzoner, or, better yet, Heronner. There is a small obstacle. Unlike New York and Paris and other important cities, London has no elected mayor. There is to be a referendum in May on whether such a post should be created. With Ms Jackson in the running, the "yes" vote should be overwhelming.

We need not give a moment's thought to her executive skills. The new Labour administration's proposals to devolve "self-government" to London are, like so much else it does, a facade behind which the central Treasury will maintain tight con-

trol. No serious fiscal power will be entrusted to Heronner. Ms Jackson, if it were she, would be a "voice for London", a figurehead, at best able to nip at the ankles of those truly in charge, and thus quite safely cast.

There is a temptation in this. If you can play any part direct to camera you may consider a career as a politician. Clint Eastwood became mayor of Carmel, California, for a couple of years. Fortunately for his fans, Mr Eastwood then eschewed the higher reaches of political life.

Perhaps others will be less reticent. The qualities required are undeniably speed, knowledge of how to dodge awkward questions, a sense of what the voters want to hear. To get to the starting-post of an important campaign you must be able to change faces from sad-sincere to

angry-sincere to happy-sincere at the ping of a soundbite.

The most successful exponent of thespian politics in recent decades is more celebrated for his ability to master a script than for instant responses. Yet Ronald Reagan, who served two terms as president, showed what a carefully measured performance on the small screen can achieve.

His eight years in office began in fear of what he termed the "evil empire" and ended with the dawn of the post-communist American-led world we now inhabit. He might have been a front, but he made a difference.

In truth, an individual's first profession is irrelevant as a guide to his or her likely performance in government. Journalists, gangsters, prostitutes, even lawyers have won recent elec-

tions in one country or another. Along with performers, all have been brave enough to accept the social opprobrium attached to the label "politician".

We may be relaxed, therefore, when actors become elected officials. We should ring alarm bells when the tables are turned, when presidents and prime ministers become actors. This is a particular concern now that the TV images are transmitted globally, by satellite or web.

Let me be clear about this. The horror-actors of the 1930s would frighten nobody today. On film they look ridiculous. We see Hitler foaming, Mussolini strutting, Britain's fascist leader Oswald Mosley in pantomime mimicry of his Nazi hero. The clips we sometimes view of Stalin and Mao are stilted.

None of these autocratic rulers

faced the need to convince voters in their living-rooms that they could be trusted, that they were the good guys.

It is not the emergence of a new great dictator we should be watching out for. A pompous Big Brother could not survive the scrutiny of the cathode ray tube. It is the smooth-talking democrats, masters of the electronic media, who hold a distorting mirror to democracy. Tony Blair may be an excellent prime minister of Britain, as straight as he asks us to believe him to be, but who can doubt that he is an actor with a natural talent?

As we know, Mr Blair's political role model sits in Washington DC. Bill Clinton is a practised performer, always aware of how he looks. It could be that the president is one of the more consummate actor-politicians of

the century, even allowing for the sad fact that every finger-wagging denial he transmits to camera seems to add to the number of people who doubt his exculpatory words.

I am not addressing the question of Mr Clinton's private life. The current obsession with that is the product of a persistent dumbing-down of the media, in the US as well as in Britain. You set someone up and then get him on the denials. A worthless and trivial pursuit.

The important point is the ability of both the new Democrats and new Labour to sell themselves as the merchants of radical change while delivering precisely the opposite. Mr Clinton and Mr Blair are true actors, able to persuade us to accept the characters they inhabit. We may applaud, until the lights go up.

Lunch with the FT

The royal not fond of royalty

The King of Bhutan tells old schoolfriend Jonathan Gregson about his efforts to bridge the medieval and modern

As I puffed my way up a flight of steps, a royal aide declared that the "the boss is ready". The boss is HM King Jigme Singye Wangchuck of Bhutan, hereditary ruler of the remote Himalayan kingdom. His office is tucked away in a fortress monastery housing the royal secretariat behind imposing red and white walls.

The King and I sat on a low, embroidered couch; beneath walls decorated in typical Bhutanese style, lots of bright primary colours and gorgeous *thangkas* depicting the Tibetan pantheon of saints and protective deities. I stared in wonderment.

"But you know I don't live here," said Jigme, almost apologetically. "In fact, I've never really lived in a palace. No, I prefer to stay in a log cabin on the far side of that mountain." I learned that he had married four sisters and has 10 children, who all live nearby.

A variety of food was brought in by another aide in traditional Bhutanese dress, the loose-fitting gown known as the *kho*, and laid out on a lacquered table resembling a chest. A working lunch Bhutanese-style involves sandwiches with the crust neatly removed, and savories made with *dashi*, the fresh cheese which is usually mixed with chillies to produce a mouth-puckering dish called *hemadashi*, eaten even at breakfast.

Thankfully, this was a subtler variant, and the tea being poured was not mixed with yak butter and salt in the Tibetan style, but some delicate highgrown variety from nearby Darjeeling. The tea service was fine bone china and very English.

I did nibble occasionally, but my mind was on other things. This was my first reunion with Jigme since we were at prep school together 30 years ago. Back then he was still the Crown Prince and, to help him adapt to the strange customs of an English boarding school, I had acted as his "minder". Now, he welcomed me with a bear hug and immediately began discus-

sing old times: the masters who had taught us, and what had happened since to some of our contemporaries. But he also wanted to tell me something of his life since, at the age of 17, he became King of Bhutan.

"Those first few years," he confided, "were a very difficult time for me. All the policy decisions, all the problems, came up to me. A lot of people thought I must have been groomed to be king. But the truth of the matter is that I was totally unprepared. Only the enormous confidence and faith that the Bhutanese people had in me permitted me to take on the job."

And that is precisely how

I've never lived in a palace. No, I prefer to stay in a log cabin on the far side of that mountain

Jigme considers his role as hereditary ruler of this small, landlocked country – "the job". Like a well-briefed chief executive at a press conference, he is happy to rattle off the facts and figures. "Our GDP has almost quadrupled in the past 10 years," he announced.

But here is a chief executive who declares he wants to maximise Gross National Happiness as opposed to Gross Domestic Product. "Infant mortality has been halved," he said, "and average life expectancy has risen from 47 to 66. Free health facilities are now available to 90 per cent of the population, and we plan to have universal coverage by the year 2000."

What is more surprising is that all this has been financed without resort to the massive foreign loans characteristic of developing countries. Bhutan has debts of just \$80m, against foreign

exchange reserves of \$120m.

"But you'll never know the pressure we came under in the 1970s and 1980s to take large loans from financial institutions. And there was tremendous domestic pressure as well: a lot of government officials wanted to take them. Our sticking to a conservative policy was not a popular decision." I noticed that when Jigme used the word "we" it was impossible to tell whether he was referring to himself, his government or the country as a whole.

"Also, there was tremendous pressure after I became king to cut down our forests and sell off the timber. People argued that this was the easiest way to earn revenue, and the logging operators had a very strong lobby within Bhutan. Only with great difficulty did we refuse them, with the result that we now have 72.5 per cent forest coverage – one of the highest in the world." The young king resisted these pressures with a mixture of innate caution and stubbornness, and through hard graft. "I don't think anyone is naturally a workaholic," he said, "and I certainly don't enjoy working long hours." Then he announced that he didn't believe monarchy to be the best system of government.

"Why? Because the person who reaches very high office does so not on merit, but by birth. Here in Bhutan, if there's a competent king, then he can do much good; if not, then he can do a lot of harm. I tell this to school children and university students. I try to impress upon them that you cannot depend just on one individual."

But he does not see western-style democracy as the only alternative. "When you look at supposedly multi-party democracy in Africa, Latin America, the former Soviet Union, it's hard to find many good examples. Their leaders don't worry about over-borrowing, because they probably won't be in power when rescheduling comes around. The essence of democracy I don't question at all. But I think it would only function in a perfect society."

Which many outside observers



HM King Jigme Singye Wangchuck: it is on his initiative that power is being decentralised

Jonathan Gregson

claim Bhutan is certainly not – as the King is well aware. "Some people complain that we aren't a democracy," he said, "but they don't realise that in Bhutan there are 3,254 representatives of the people elected by secret ballot." Such criticism stings him all the more, since it is on his own ini-

tiative that power is being decentralised.

"Whatever changes I bring about in the near future, the most important factor is that it should be indigenous – something that can function in the conditions which exist in Bhutan. "The reason we attach so much

importance to our traditions," he said, "is because the only factor that strengthens our status as a sovereign and independent state comes from our distinct culture."

The perceived threat is not military aggression by India or China, but being swamped by economic migrants. Precisely

that happened next door, in the former Kingdom of Sikkim, after Nepali-speaking Hindus became the majority. The old Buddhist monarchy was overthrown and Sikkim incorporated into India, just after Jigme succeeded to the Bhutanese throne.

Within Bhutan, the crunch came in the early 1990s when tens of thousands of "illegal immigrants", again mostly Nepali-speaking Hindus, were forcibly expelled. Eight years on, there are still nearly 90,000 people claiming to be Bhutanese refugees in camps set up by UNHCR in eastern Nepal, many of whom complain of ill-treatment and the suspension of basic human rights by the royal government. Indeed, Bhutan has been censured for its actions, most recently by Amnesty International.

"We can never become a Fortress Bhutan," he said, "because

Jigme wants Bhutan to be the 'Switzerland of South Asia': clean, independent, prosperous

we have neither the manpower nor logistics to patrol 450 miles of very porous border." The attraction for land-hungry migrants is that Bhutan's GDP per head is \$420, very modest by international standards but twice that of Nepal.

"Looking around the world today there are millions of economic migrants moving from less developed to more affluent countries. We in Bhutan are experiencing it now, but I think this will be a global problem in the 21st century."

Jigme wants Bhutan to be the "Switzerland of South Asia": clean, independent, more prosperous than its neighbours. His methods have been condemned as "dictatorial" – perhaps "paternalistic" would be more accurate. As I left my old school friend, I realised that for all the splendour of his oriental robes, there is nothing quaint about Jigme. He sees his task as bridging the almost medieval world he was born into and the late 20th century. He is willing to take what he calls "the best from the west" such as modern education and healthcare.

But he is wary of moving too fast, and does all he can to foster traditional Bhutanese culture. So far he has succeeded, though only by curbing the individual liberties and rights of his subjects. Is that price justified, even if it helps preserve so unusual a culture? The King, at least, is sure he knows the answer.

Truth of the Matter

Thinkers rational and romantic

Reason alone is not enough to provide a cure for the world's ills, writes Christian Tyler

Oswald Mosley, the British Fascist leader of the 1930s, was "one of the last of the rationalists", according to a prominent historian previewing a four-part programme about him which was televised in the UK on Thursday.

By "rationalist", Professor Robert Skidelsky meant that the brilliant and precocious Mosley was one of those dangerous types who think the world's ills can be isolated by sitting down and thinking, and can be cured by means of the quick fix.

Mosley was in this respect a junior member of the same league of European monsters as Hitler, whose logic dictated a genocidal war to secure a eugenic empire, and of Lenin who unleashed the terror of class murder in Russia in order to realise his utopian vision.

Another rationalist – though not of course in the same league at all – was the austere and mesmerising English member of Parliament Enoch Powell, who died last Sunday. Powell was a brilliant and precocious classical scholar who somehow failed to see that one ill-judged speech was

enough to ruin a promising political career.

Addressing a small meeting of Conservative party activists in 1968, Powell warned of the dangers of unrestrained immigration of black Caribbeans into Britain. He quoted the Roman poet Virgil: "I seem to see the river Tiber foaming with much blood."

Those who remember the so-called "rivers of blood" speech decided then that Powell's brilliant but narrow-gauge mind had been blinded by the beauty of its own logic. (Iain Macleod, a fellow Conservative politician, had put it more strongly, declaring that "poor Enoch" had been "driven mad by the remorselessness of his own logic".)

His mind had a "mechanical aspect", recalled Roy Jenkins, the former Labour chancellor, this

week. Yet the machine did not always function accurately. Powell complained, for example, that the Labour government of the mid-70s had a mania for legislating against discrimination. "But all life is about discrimination," he said, deftly substituting one sense of the word for another.

If Enoch Powell had been a better prophet, perhaps we should have forgiven him his frankness. But the prediction has proved false. And those who punished Powell for his outburst can take some credit for the fact that Britain has seen no rivers of blood, and that many of the younger generation regard racism as a ludicrous archaism.

Not surprisingly, we in the west have become suspicious of rationalists. The western climate is hostile to -isms and -ologies.

We look with alarm on all system-builders, whether the scientific programme of the French Enlightenment, the metaphysical structures of Immanuel Kant or the historical structures of Hegel and Marx.

This distrust has been encouraged by the latest hypotheses of science. Where we used to say that some brainy people lack sense, now we should say that wrong-headed rationalists lack "emotional intelligence".

A recent bestseller of this title by Daniel Goleman, former editor of *Psychology Today*, summarised the findings. Neurologists on both sides of the Atlantic argue that intelligence is a diffuse concept. Humans cannot think straight if the links between the feeling parts and reasoning parts of their brain are damaged. Psy-

chologists emphasise the importance of self-awareness, self-control, sympathy and subtlety.

But there is danger in this fashion, too. It may be true that thinking is impossible without feeling. It does not follow that feeling is the superior guide to action. The soilist philosophy peddled by "feel-good" therapists, in which the best cure for a frown is a face-lift, and the best government policy the most marketable one, can lead to another kind of social chaos.

When reason is demoted, objective truth is the first casualty. Because truth is difficult, it can too easily be destroyed by the fungus of the new subjectivism. Already some newspaper editors are content to report rumour where once they would have insisted on corroboration. Liter-

ary hoaxers are proliferating. Authors who once used fact to inform their fiction are now presenting fiction as if it were fact. Publishers seem happy to indulge New Age crackpots and conspiracy theorists (yes, the pyramids were built by aliens!) at the expense of boring old scholars who have laboured for years to dig up nuggets of truth.

Of course, reason is sometimes discovered – and perhaps more frequently than we think – to be secretly in the pay of passion or prejudice. Nobody is neutral. But as the American philosopher Thomas Nagel has argued in a recent book, *The Last Word*, reason is the final court of appeal. It may be a human biological phenomenon, yet we cannot dispel the conviction that it has independent and universal authority.

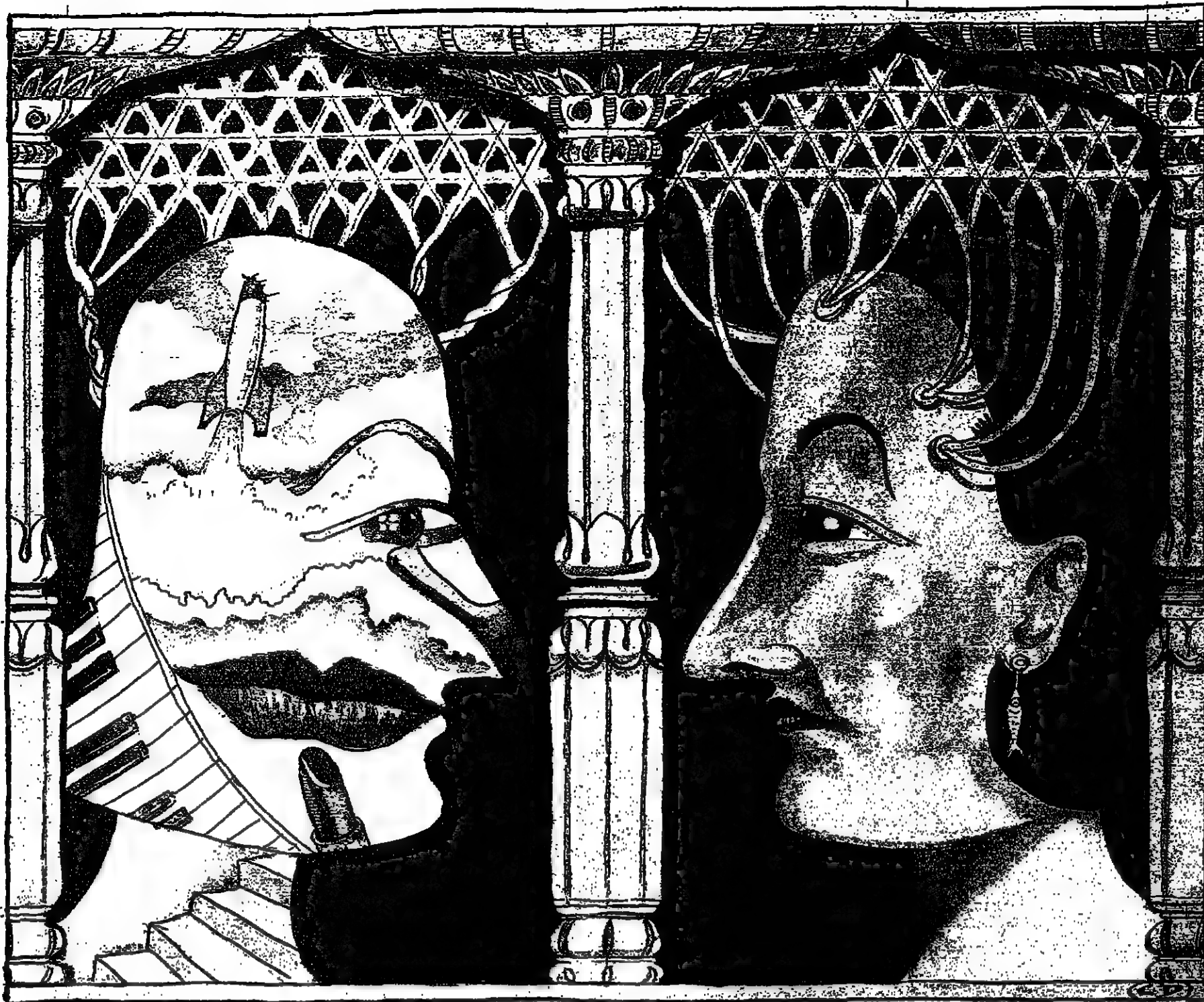
Nagel complains about "the extreme intellectual laziness of contemporary culture", illustrated by what he calls the collapse of serious argument in the lower reaches of the humanities and social sciences, and a refusal to see arguments as anything other than expressions of personal feelings.

The US experience shows that a government cannot successfully legislate on a divisive question such as abortion merely by taking the emotional pulse of the nation. There can be no substitute for rational investigation of the arguments.

That such analysis is possible was proved many years ago by another American philosopher, Judith Jarvis Thomson. Her paper "A defence of abortion" has been described as a classic. It explored the meaning of the "rights" invoked by both sides.

Rationalists can get it wrong, sometimes horribly wrong. But reason itself must not be blamed for that. Some people's rationalism is an unthinking one. Underneath, the Mosleys of this world are not rationalists at all. They are something worse: romantics.

PERSPECTIVES



My fantasies for all to see

Amy Kazmin steps into the 'Room of Desire' and finds her secrets projected on to a public screen

Fantasies. Everyone has them but few dare articulate the details. Last week, though, I saw what are supposed to be mine - as did everyone else who happened to be in the 'Room of Desire' at the time.

Images allegedly reflecting my secret wishes, selected with the aid of a computer, were flashed on to a screen for all to see.

But this was no racy western capital: this was India, where no one gets to see the sort of images at the cinema that I was conjuring up free of charge. Sensors attached to my head and hands produced scenes that would give the local censors nightmares.

Such a public revelation of my 'fantasies' was mortifying, and the last thing I expected when I went with a friend to a visiting exhibition in New Delhi of French visual technology, sponsored by French government and industry in honour of India's independence anniversary.

The Room of Desire was created by Czechoslovakian-born artist Pavel Smetana, who has been living in France for 15 years. Smetana's sensor reads a viewer's stress level, brain waves and pulse to gauge their mental state. Then a computer selects and projects images that are supposed to reflect immediate desires.

As you respond to what you see, new images pop up that reflect your changing physical signals. The images are chosen from more than 1,700 - some created by the artist himself and others culled from Prague's Archive of Documentary Film and other film libraries.

When I arrived, a young Indian journalist was experimenting with the system. I watched as she sat, her mind calling up images after image of waterfalls, waves pounding on the sand, fish swimming in the sea, and wooden houses along

a peaceful country lane. It was tranquil, harmonious - and boring. The most titillating image was a teenage boy who swam past a port-hole. You could see his plaid bathing trunks and long pale legs kicking. But he quickly disappeared, replaced by more fish. I think even she found her fantasies boring; she left after five minutes.

Then it was my friend's turn. A typical guy, he joked about what luridness in his mind might be revealed. But it was not what I expected, that's for sure. The first image was of a man fighting violently against being held down by four people while receiving an injection in his posterior. This scene was shown several times.

'I was nervous. I tried to relax and take deep breaths. I tried to keep calm. It didn't work'

It was followed by a starving African child sitting in her mother's lap; premature babies with dozens of wires attached; a man in a bright orange life-jacket, with arms outstretched, struggling in a raging sea; a man in a gas-mask disappearing down a manhole; crowds of commuters shoving into a subway; and a pilot appearing to scream and fall. Images of drowning, suffering, oblivion.

The strangest image, which was repeated nearly a dozen times, was of a shoe-clad foot scraping against a stair which disintegrated, leaving the foot and leg to plummet into a black hole. Over and over, we watched that solid stair dissolve.

It was too much for me. After a few minutes, I asked Smetana if the images would change if my

friend could somehow relax. Smetana said yes. But my friend had had enough, and asked for the machine to be turned off. The minute Smetana said he would pull the plug, the disturbing images disappeared. For a fleeting moment before the screen went blank, I saw an image of a woman sitting, relaxing in a waterfall: my friend's relief - the ordeal was over.

Then it was my turn. By this point, I was pretty nervous. Smetana wiped my forehead, fingertips and wrists with alcohol so the sensors could better read the rhythms of my body. I tried to relax and take deep breaths. I tried to keep calm. It didn't work.

The first image was confusion and chaos: thousands of wires entangled in knots and twists. Then it flashed on to an equally chaotic desk with papers strewn everywhere (mine?). I relaxed slightly; at least I hadn't conjured up the image of the man and his injection. I breathed out.

The images remained cold, mechanical: scientists peering into microscopes, a doctor peering into a person's eye with a flashlight - images of investigation, probing. Nothing too terrible. I tried to relax more, to breathe easily. Suddenly the scenario changed. I found myself staring at a close-up pair of luscious red lips and a hand applying lipstick. I breathed. Again the lipstick was applied. And again. The image changed: a pair of hands rubbed against a pair of thighs clad in tights. I started getting nervous. Back to the lipstick. Back to the hands and thighs.

'Oh is this what she wants to do tonight?' someone in the room called out. I got more nervous. I got embarrassed. I laughed and told people to shut up. It got worse. What appeared to be a Bangkok bargirl in a cheap disco rubbed herself lewdly against a metal pole. I winced. I breathed and tried to relax. On the screen, a

man fired a gun, then disappeared - replaced by Bill Clinton walking out to flashing camera bulbs to address a press conference.

I relaxed. This made sense. I am a journalist. My secret fantasy is to cover the White House. Yes, that's it - I want to cover the White House. Another foreign dignitary walked out to face the media. A woman - unknown to me - waved to a crowd. I relaxed more, let my mind drift. Mistake. Red nail polish was applied to a long fingernail. A man and woman sat in the snow, passionately embracing and kissing - over and over.

Then an Indian Censor Board nightmare: a man and a woman, both naked, bending (towards a bed?). I couldn't look. I turned away. People were silent now.

According to Smetana, the images I saw were a 'mirror of the mind', reflecting the often conflicting desires of my conscious and subconscious mind. For some viewers, an erotic image may be quickly replaced by a violent or aggressive image, as a person's conscious mind overrides their subliminal impulses.

A person who is especially stressed or agitated will draw up a quick succession of changing images, 'like an action film'. A yogi who can control his mind, breathing, body temperature and heart rate might watch the same images for an hour. The correlation between physical signals and specific types of image has been made

by Smetana, who studied what is known about brainwaves, along with human emotions and esoteric philosophy, to bring order to hundreds of images.

The Room of Desire is very much interpretive art rather than hard science. But in that room, I feel I have seen the future of the movies, when each of us will conjure up a film based on what our bodies say we want to watch.

The room was a big hit among the people of New Delhi, some driven by curiosity, others by prurience. As word of the exhibition spread during the week, Smetana was forced to introduce appointments and to limit the number of spectators. By the last day, there was a three-hour wait to watch someone have a turn in the chair.

Some felt disappointed: 'How did you get to see that woman's legs?' one man asked me.

I still wonder what my own fantasies might have been if no one had been watching - or if my fantasies had not been pre-censored. The artist, on the instructions of the exhibition organisers, removed 500 of the most erotic images to avoid offending Indian sensibilities.

As it was, my desires were not confined to the bedroom. I watched helicopters lower, aeroplanes soaring in the clouds, rockets taking off. Images of flight, escape, journeys. There was a brief religious interval: a church, a synagogue.

Then I saw people I would like to talk to and know: close-ups of craggy, wise faces from all corners of the globe - the tellers of stories I would like to hear. I relaxed; I breathed. Hands played the piano. A foot clad in a pink ballet slipper flexed and pointed. A hand furled and unfurled in a form of dance. Back to the ballet slipper. I breathed deeply, relaxed.

Then - not - the screen was filled with the silhouette of a woman teasingly removing her skirt.

I isolated they may be, but the Karabakhis believe time is on their side. While the attention of the outside world has been turned elsewhere and negotiations have gone

nowhere, they have been quietly building up a little eccentric statelet. A new \$8m road is being completed to Armenia proper.

They have their own government, diocese, a small standing army and a lot of captured land, which they intend to bargain back as part of a secession deal. They are restoring the beautiful and crumbling stone 18th-century monasteries that they say are their title deeds to the land.

I met Archbishop Parkev a couple of days after the vodka session. He, the president and the military chief run the place. He also is bearded, and possessed of generousity and hardness. We talked about church and state in Karabakh one and the same. For an Armenian, he said, Christianity was not a matter of choice or vocation but of survival.

What, I asked him, was the role of a priest in this war? 'To preach the gospel. To encourage purity in battle, to prepare men for death... Sometimes we performed baptisms under artillery fire. I have done christenings using a helmet for the water.'

He sometimes met Armenians who had not been baptised - but still considered themselves Christians. It was a badge of identity. Armenians talk about the west and civilisation, but it was talk of an earlier age, when the crusades still had a meaning. Or even further back, when Christianity was competing to survive in the near east.

Years of conflict, isolation and myth-making have plunged the place into that kind of mentality. No matter that the relics of the Soviet Union - old slogans, rust-

ing collective farms, concrete apartment blocks - are still around you. Or that the thousands of Azeris they fought with, who have long ago fled, were their neighbours and ordinary Soviet engineers and farmers. They are the unmentioned ghosts of the land.

For many Armenians, Karabakh has a bigger meaning, which is why they are against making any concessions on it. With Armenia reduced to a fraction of its former size, the 1993 victory was the first time in centuries that land was won, not lost. As the *tutovka* flowed, Father Griker waxed more eloquent and dreamed of the day when the city of Kirovabad or Ganja in Azerbaijan and Lake Van in Turkey might be Armenian once again.

'In Kirovabad we will open the Church of St Gregory and then we will baptise in Lake Van. The bishop and I have an agreement that in the church on Van we will take the first service and the second.'

What, I asked him, was the role of a priest in this war? 'To preach the gospel. To encourage purity in battle, to prepare men for death... Sometimes we performed baptisms under artillery fire. I have done christenings using a helmet for the water.'

He sometimes met Armenians who had not been baptised - but still considered themselves Christians. It was a badge of identity. Armenians talk about the west and civilisation, but it was talk of an earlier age, when the crusades still had a meaning. Or even further back, when Christianity was competing to survive in the near east.

Years of conflict, isolation and myth-making have plunged the place into that kind of mentality. No matter that the relics of the Soviet Union - old slogans, rust-

ing collective farms, concrete apartment blocks - are still around you. Or that the thousands of Azeris they fought with, who have long ago fled, were their neighbours and ordinary Soviet engineers and farmers. They are the unmentioned ghosts of the land.

For many Armenians, Karabakh has a bigger meaning, which is why they are against making any concessions on it. With Armenia reduced to a fraction of its former size, the 1993 victory was the first time in centuries that land was won, not lost. As the *tutovka* flowed, Father Griker waxed more eloquent and dreamed of the day when the city of Kirovabad or Ganja in Azerbaijan and Lake Van in Turkey might be Armenian once again.

'In Kirovabad we will open the Church of St Gregory and then we will baptise in Lake Van. The bishop and I have an agreement that in the church on Van we will take the first service and the second.'

Mass media no more

Abstemiousness costs the US public dear, says Jurek Martin

The thing that foreigners need to know about modern American

journalists is that they take themselves very seriously. As a result, there's been a lot of media breast-beating and brow-furrowing over clear mistakes made in reporting and pontificating on the Clinton-Lewinsky matter. This orgy of self-flagellation has occupied almost as much ink and air-time as the president's alleged extra-curricular activities.

Unfortunately, this introspection completely misses the point - long clear to veteran observers of the American media but difficult to raise in an age of such appalling correctness. It is, baldly put, that this generation of hacks does not drink, smoke or eat enough.

Actually there are a lot of other things they don't do - like vote (it impairs objectivity), have extra-marital sex (conflict of interest) and admit to baldness.

But it is the absence of the basic vices that causes the media to lose social contact with the general public whom they are supposed to be informing and serving. It also forces them to rely on polls and talk radio as vicarious substitutes for what ought to be their own better grounded intuitions and judgments.

The value of drink, reporters should remember, is that it loosens both mind and tongue. My two greatest, indeed, I will freely admit, only, 'scoops' (the discovery of a lost Raphael in 1870 and of Paul Volcker's plan to save the dollar in 1978) were both the result of the arduous use of booze. Now obviously I did not get the artist drunk, because he had been dead 500 years, nor the then chairman of the Federal Reserve.

Still, it is worth noting that Volcker did puff cigars in those days, while his predecessor, G. William Miller, tried to ban smoking from the Fed's boardroom, thereby arguably contributing to the collapse of the dollar because the Fed's, nicotine-deprived open market committee made mistakes: QED.

Drinking is, of course, a social activity, unless done alone, which is generally not desirable, except while watching the Sunday morning political talk shows on TV. Bars are better places to probe the public mind than pre-selected focus groups, where only decaffeinated coffee and diet soda, by regulation, are served.

They also used to be where reporters (even from competing news organisations before Rupert Murdoch owned them all) would meet to compare notes, itself a useful exercise in the sort of fact-and-rumour checking that is now so unfashionable once they are already on the internet.

Equally, the banning of tobacco from just about every newswroom in the nation makes those reporters who smoke, solitary, introspective characters, desperately feeding their habit on some heating grate on the streets and musing on conspiracies

and connections that may not exist. It may even be worse that the White House is similarly deprived of that which cools the fevered mind - affecting both press and staff. Clinton reportedly clamps a stogie in his teeth, but dare not light up, less out of fear of Al Gore, his wife and the health lobby than the probability that Kenneth Starr would subpoena his wrappers to prove the heinous (and impeachable) offence of smoking in a federal building.

He ought to take a leaf out of a former president's book: JFK bought up every Cuban cigar in Washington before slapping the embargo on Castro and romping indiscriminately with every moll from there to Hollywood - and got away with both.

I have puzzled why it is that the modern American reporter seems not to eat, beyond the obvious fact that the lean and hungry look goes over well on television (but look what eventually befell Cassius), I think it

may be that the ever-present cellphone and laptop leave no hand free for the knife and fork.

Mind you, a good meal, with wine and a cigar, can also induce contentment. Did not Jefferson, who knew his food and drink, say that advertisements are the only truth to be relied on in a newspaper? This explains why good restaurants are filled with expense account ads and lobbyists, not journalists.

But they could be stuffed with the media and government officials actually getting to understand what each does. Of course, they are prevented because ethics bars prevent anybody in government from accepting meals worth more than \$19.95 a pop, or \$50 in a year, which buys only junk food and which hasn't anybody investigated the McDonald's hand in this legislation? I have heard that newspaper editors now have breathalysers in newswrooms.

If the country is currently contented - it must be, the polls say so - then it can only reflect the fact it is eating and drinking well, which is also an indisputable fact, as witnessed by white growing in long-neck bottle states like Texas and the appearance of Chilean sea bass in restaurants from Montana to Mississippi.

It seems unreasonable that the American fourth estate, in its monastic self-righteous mode, should deny itself such ordinary pleasures in the company of ordinary people. It should lighten up, eat, drink and be merry - and then go out and dig for dirt without worrying so much about it.

Putting it baldly, this generation of hacks does not drink, smoke or eat enough

The lost crusade

A war continues in Nagorno Karabakh, away from the world's attention. Thomas de Waal reports

It was only because the archbishop was late that I sat down to drink vodka with Father Griker. As the toasts began to flow, and the confusion of the present receded into the glories of the past, I was transported into warrior Christendom. I was in Shusha, or what is left of it.

Shusha was once the third city in the Caucasus, a magnificent town of theatres and a famous university spread high above a gorge.

Prosperous families came to Nagorno Karabakh to spend cooler summers away from the plains and the Caspian Sea. Now there are weeds and ruins, a few houses, a church under reconstruction and a couple of badly damaged mosques not under reconstruction.

Nagorno Karabakh is poor, mountainous, beautiful and supports a population of barely more than 100,000. It is one of the world's lesser known 'trouble spots', but this tortured place exerts a huge influence over the

Caucasus, worries foreign policy specialists in London and Washington, and influenced the routing of a strategic oil pipeline.

The causes of the fighting are common to other territorial disputes, a religious dispute from the previous millennium, early 20th century communist map making, and still thriving nationalism.

On February 20 a decade ago, the local Armenian majority, Christian, began a campaign to be united with Soviet Armenia and secede from Moslem Azerbaijan, to which they had been clumsily joined by Stalin in 1921. The result was a war that ended with the expulsion of the Azeri population.

The conflict is unresolved and getting more complicated. Last week, the Armenian president,

Levon Ter-Petrosian, was forced to resign. He had been arguing for a more flexible policy over Karabakh, but the cause is still so fervently supported in Armenia that this reasonable suggestion led to his stepping down.

The Karabakhis are highlanders, hard drinkers and generous hosts. Father Griker's appearance, his lankiness and the long black beard, was still that of the conservative violinist from Armenia he had once been. But his energy had been consumed in the fire of the Karabakh cause.

He had arrived in 1990, was ordained and became an army chaplain. On occasion, despite his spiritual role and holy orders, he had gone into battle. He poured out the *tutovka*,

sticky vodka made from mulberry pulp. We drank to fallen comrades. Before raising glasses, those at the table rolled their eyes to heaven in memory of the dead.

Then we downed the stinging liquid in one gulp, feeling it burn the throat.

Others told stories of the war, of good times of comradeship and clarity, before, they said, the international mediators and Armenian president had dared to suggest betraying them and returning them to Azerbaijan.

Isolated they may be, but the Karabakhis believe time is on their side. While the attention of the outside world has been turned elsewhere and negotiations have gone

nowhere, they have been quietly building up a little eccentric statelet. A new \$8m road is being completed to Armenia proper.

They have their own government, diocese, a small standing army and a lot of captured land, which they intend to bargain back as part of a secession deal. They are restoring the beautiful and crumbling stone 18th-century monasteries that they say are their title deeds to the land.

I met Archbishop Parkev a couple of days after the vodka session. He, the president and the military chief run the place. He also is bearded, and possessed of generousity and hardness. We talked about church and state in Karabakh one and the same. For an Armenian, he said, Christianity was not a matter of choice or vocation but of survival.

What, I asked him, was the role of a priest in this war? 'To preach the gospel. To encourage purity in battle, to prepare men for death... Sometimes we performed baptisms under artillery fire. I have done christenings using a helmet for the water.'

He sometimes met Armenians who had not been baptised - but still considered themselves Christians. It was a badge of identity. Armenians talk about the west and civilisation, but it was talk of an earlier age, when the crusades still had a meaning. Or even further back, when Christianity was competing to survive in the near east.

Years of conflict, isolation and myth-making have plunged the place into that kind of mentality. No matter that the relics of the Soviet Union - old slogans, rust-

ing collective farms, concrete apartment blocks - are still around you. Or that the thousands of Azeris they fought with, who have long ago fled, were their neighbours and ordinary Soviet engineers and farmers. They are the unmentioned ghosts of the land.

For many Armenians, Karabakh has a bigger meaning, which is why they are against making any concessions on it. With Armenia reduced to a fraction of its former size, the 1993 victory was the first time in centuries that land was won, not lost. As the *tutovka* flowed, Father Griker waxed more eloquent and dreamed of the day when the city of Kirovabad or Ganja in Azerbaijan and Lake Van in Turkey might be Armenian once again.

'In Kirovabad we will open the Church of St Gregory and then we will baptise in Lake Van. The bishop and I have an agreement that in the church on Van we will take the first service and the second.'

What, I asked him, was the role of a priest in this war? 'To preach the gospel. To encourage purity in battle, to prepare men for death... Sometimes we performed baptisms under artillery fire. I have done christenings using a helmet for the water.'

He sometimes met Armenians who had not been baptised - but still considered themselves Christians. It was a badge of identity. Armenians talk about the west and civilisation, but it was talk of an earlier age, when the crusades still had a meaning. Or even further back, when Christianity was competing to survive in the near east.

Years of conflict, isolation and myth-making have plunged the place into that kind of mentality. No matter that the relics of the Soviet Union - old slogans, rust-

هكذا نحن الأرمن

BOOKS

A Free Man

Two years ago, the poet and biographer Andrew Motion, then 43, fell ill. Doctors discovered a tumour on his spine. Below is his first, hitherto unpublished, account of that experience – facing death in a hospital ward – and of his subsequent reprieve

The first doctor was a Scot from Central Casting: he gave nothing away. The second liked my work, which was no comfort. The third was an old-style Prof – bow-tie and beleaguered hair – and I took to him. I thought he must know his onions. So for two hours I gave myself entirely to his brilliant machine, which nearly deafened me but could see right through to my soul if the poor thing hadn't vanished already.

And all this while the old Prof kept sliding round the little mirror they had stuck above my head, paying no attention to me yet getting to know me inside out: receiving the truth of me on X-ray plates, holding them up to the light, hand on chin sometimes or ruffling that beleaguered hair, but really I could see no more in the way of tone or expression, which I also liked – or thought was much the best thing in the circumstances.

I can tell you what I felt like, of course, if you want that. I felt like a mad cow in a yard head over heels in my own shit.

Or on better days like a marionette dancing in the hands of a child: the strings of my body all gone slack though I kept smiling. I smiled and smiled.

I had decided not to think, but I saw what I saw. There was him across the corridor whose head at a tender age had been licked like a soft cardboard box so his brain looked askance at the rest of him, and always with wondering why the brave face he keeps up won't stay still ever, without getting even the beginnings of an answer. Yes, there was him. He was my opposite number.

Then on my right was another, a different case clearly, but not one I knew. He was one of those whose curtains were drawn tight all day every day and could never climb out of his deep silence to say anything, only to make those squelching slaps, those drumming tattoos with his heels, those gasps which I took as the sound of no longer human pain. Yes, there was another. He was my right hand man.

And on my left was a wall, a nothingy green cliff to my flat eyes but beautiful for all that and priceless if I could just shift my head half an inch like this – so – and find the miraculous other worlds of its one window, the world where I lifted up through levels of grey air, up past the funeral pipe-work, the fire escape stairs, the gutter-graphs once freshly painted, now just plain and. Yes, there was a wall and window. They were what else I had.

Oh yes, and a clock at the end of the ward. Dear God, why that? Why not – a harpichord?

It was beauty I wanted, not time and all that – beauty and pure pleasure before it got too late.

Ward/harpichord: you see what I meant. Not a rhyme like Seward and plain sense again.

Not a damn thing worked anymore. Not a damn thing. There was no sweet music. There was a clock-ticking.

Beyond everything was the sky, except I was too low, or it was too high for even a glimpse of weather. I could live in one world, but not another.

But my head-set brought such eerie, such heavenly reports! That line about how hard frost fell on the northernmost Scottish snow-fields

and I was flying at once, launched from the crown of the island, drenched by snow turning to slush when it melts as I skimmed south, brought to a halt,

almost, by strong winds, gusting to gales, but soon OK – dry in the North York Dales and the Midlands muggy and overcast – then baffled once more above the Cambridge lens,

blurred to mist patches, turning to fog, and still taking the whole thing in, free and agog as I entered the Home Counties, catching sight (fine until early morning, chilly later tonight)

at last of the Thames Valley and London again, buffeted by occasional sharp showers of rain, wishing my slow descending journey never would come to an end, wishing not to be me

any more, but unable to stop myself sinking through clammy windows and walls (there will be heavy dew all over the south) back to my own stifling bed, into my sour stillness. My dead head.

He was nothing like Virgil, my guide. He was Paul.

Paul who one day was simply there in the bed next to me.

25 or 6, smart, a good bloke, coming round from his fifth stroke.

That's why I like still, he said, one veiny hand, tipping his head

towards me. Though there's no point in complaining, I could have wept.

Each soft dip in his skull was a lidded hole brim-full

of something like rearing ants. Yes, quiet is all I want.

As long as I'm quiet I'm OK (still pointing his face at me

and grinning). Tell you what, though. You look on the mend, you do.

you look... and so on, and so on until lights-out, and then

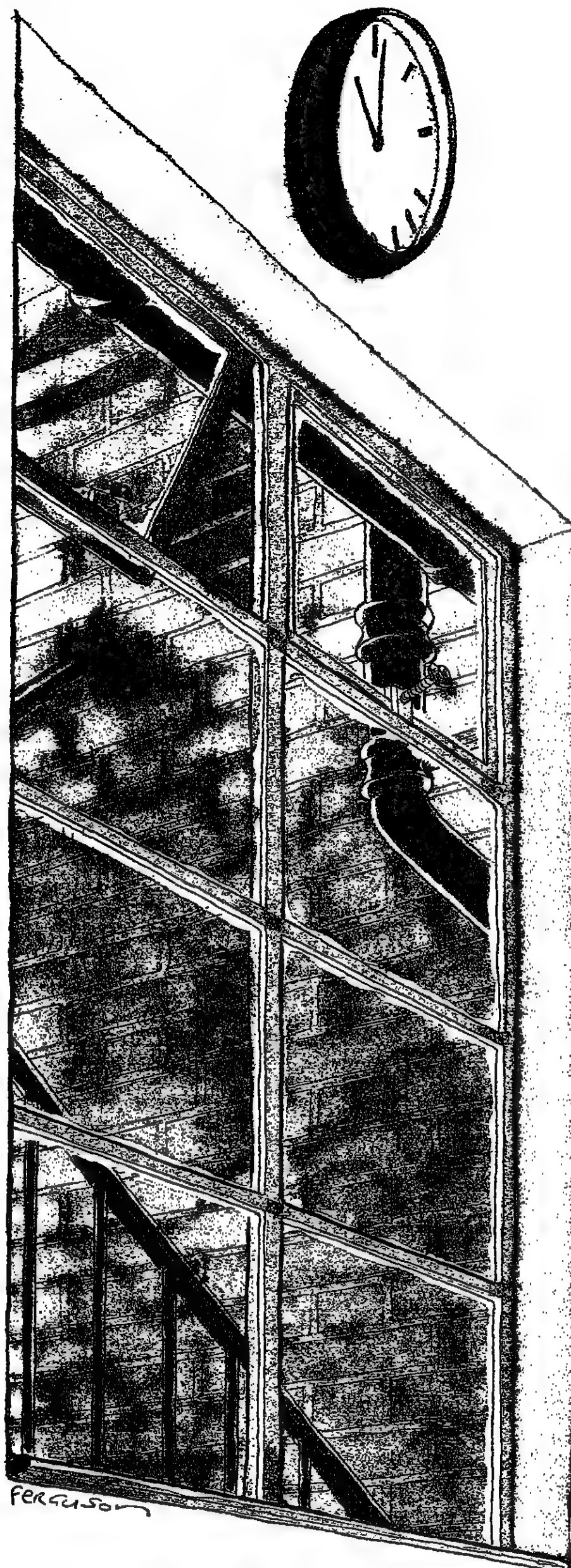
the dark tips of his every breath, squeaking in over his teeth.

He was nothing like Virgil, my guide. He was Paul.

Paul who was alive that night and the next morning not.

Then the old-style Prof was back at my bed-end – not so absent-minded after all. Well, you're a free man. Then you my wife came, and we walked arm in arm out between the beds as if we were getting married again. Then some nurses gathered at the front door waving, puffing out their chests like baby swallows in a nest. Then we drove off into the morning and everything stopped being then-and-then. It was all now-and-now.

I was a free man. Our slow and queasy car rolled heavily through the Borough of Camden's finest potholes home, and their miniature gravel-ponds ripped into rainbows. I was a free man. A careful man, too, for the time being, in my much-too-big jersey cut from a bolt of pure gold. I was a free man. There were rain-streaks on the faces of passers-by at lights and junctions, and also tear-streaks, frown-lines, smile-lines, and age-lines which were fine by me.



When a chamber falls into disrepute

Britain's parliament is in disrepair and disrepute. The popular perception of politicians as capricious and inconsequential holds a mirror to an institution which is ineffective yet seemingly oblivious to its plight. It is 150 years since John Bright described England as 'the mother of parliaments'. The poor man must be turning in his grave.

Tony Blair has promised to change things. The Labour government's programme of constitutional reform is the most ambitious since 1832. Yet it seems that its proposals for modernisation of the nation's legislature miss the main point. Of course, Britain's hereditary peers should be evicted post-haste from the rich leather benches they at present occupy by accident of birth. Without a modicum of political legitimacy, parliament's second chamber cannot do the job of scrutinising, revising and challenging the decisions of the House of Commons.

It is this first chamber, though, which is in most urgent need of radical overhaul. Governments – Margaret Thatcher's led the way, but Blair's is showing a similar inclination – are long scornful of the institution from which they theoretically draw their authority. We should not be surprised then if the people are similarly sparing in their respect.

Peter Riddell's scholarly analysis of the troubles fac-

ing parliament is not so harsh in its judgment. Riddell, a political commentator for The Times, has a temperamental preference for understatement. But that tends to reinforce the compelling case for change which he sets out.

The theme is the extent to which the House of Commons has been sidelined by other centres of political and economic power. A lengthy list includes an executive that prefers to exercise authority through unelected and unaccountable quangos, a global marketplace indifferent to 19th century concepts of the nation state, a powerful European Union, and a Bank of England handed control of one of the two main levers of economic management. Ahead lies more competition from more democratic institutions: the Scottish parliament, a Welsh assembly and elected mayors in London and other cities.

It is a failure to see the world as it is rather than as it might be which accounts for the dangerous erosion of parliament's popular legitimacy. Too many MPs inhabit the world of A.V. Dicey, the 19th century constitutionalist who lauded the "absolute omnipotence" of parliament as the secret

strength of Britain's unwritten constitution.

Dicey's analysis was wrong when it was written. Parliament always had to acknowledge, even if informally, other centres of power. Dicey himself, by calling for a referendum on Irish home rule, implicitly acknowledged that sovereignty lies with the people not parliament. And herein lies the paradox. In persist-

PARLIAMENT UNDER PRESSURE
by Peter Riddell
Victor Gollancz £20, 256 pages

THIS TIME, OUR CONSTITUTIONAL REVOLUTION
by Anthony Barnett
Vintage £6.99, 370 pages

ing with the pretence that its own authority is immutable, parliament has seen real power ebb away.

It will regain public respect only when it abandons a majoritarian, confrontational view of political life in favour of consensus and power-sharing. As Riddell shows, this will sometimes mean re-asserting itself against the executive: calling the quangos to

account and scrapping the prerogative powers bestowed on the government by the Crown.

But elsewhere it will demand recognition of the legitimacy of other sources of democracy – including, with all its imperfections, local government. The choice is between a reinvigorated parliament as the central cog in a decentralised democracy, or as an institution watching over its own decline.

Riddell suggests a range of reforms to nudge the House of Commons along that road. He wants safeguards against the executive's ability to turn constitutional change to narrow political advantage. He suggests a smaller House with stronger powers of scrutiny and sharper lines of accountability. And he seeks still tougher rules on the financial conduct of individual members.

So far so good. But restoring faith in parliament will require more than technical adjustment. It requires MPs to make the psychological leap into acceptance of a pluralist political system, and to replace what Riddell calls their Panglossian complacency with a certain uncustomed modesty. No one, on the other hand,

could accuse Anthony Barnett of being unduly cautious in his proposals for constitutional change. Barnett, the founder director of Charter 88, has been one of the most prominent voices in the campaign to replace the unwritten rules of conventions of British democracy with a modern, written, constitution.

Few have made the case for this "big-bang" approach to change with greater force. And *This Time* offers a powerful case for a new democratic settlement, trenching rights and rules which are comprehensible to every citizen; and, most of all, curbing the overmighty state as represented by 10 Downing Street. If Blair really wants a New Britain, the argument runs, he must refashion the rules by which it is governed.

Barnett makes the case with unbridled enthusiasm. And here I think is the snag in his book. Its rather gushing prose reflects the extraordinary shift in the national mood which followed the election of the Blair government and the death of Diana, Princess of Wales. Barnett, writing in the summer and early autumn, sees in the celebration of Blair and mourning of the Princess a popular tide for radical change. More likely, it was a passing emotional spasm. The case for constitutional change is as strong as it ever was. But let's not be over-optimistic.

Philip Stephens

Bear in a man's world

Lilian Pizzichini on a perceptive first novel

The alto-sax playing, talking bear of Rafi Zabor's first novel is unusual for an Alaskan Kodak.

True, he is large and brown, but "the Bear", as he is known, is also witty: "Me? Complicated? I'm just your simple cuddly basic woodland creature"; erudite (Shakespeare and the Gnostic gospels are his chosen subjects), and given to philosophical pronouncements: "If the universe is vibration, and after Einstein who's gonna deny it, energy shifts down matter and before it gets there it manifests as sound. So playing music – it's like taking an active part in the future."

And, of course, he plays the saxophone with the muscular force of Dexter Gordon, and visionary genius of John Coltrane. Although Zabor has come up with a unique novelistic take on the theme of alienation, his real achievement is in capturing the irresistible momentum of improvised jazz in passages of disciplined, yet passionate prose, and in making the Bear not extraordinary because he can talk, but because he is a prodigiously gifted and thoughtful individual.

We first encounter the Bear on the streets of New York, dumbing down in a

circus act with his best friend, Jones, who won him as a cub in a poker game. Back home, with his feet up and a few beers in his belly, he hits us with his extensive vocabulary.

As a musical genius, he feels degraded by street hustling, so he ventures into the night, all heavy "footstep and trenchcoat and untamed force of nature", straight

THE BEAR COMES HOME
by Rafi Zabor
Cape £9.99 pbk, 480 pages

into a jazz club where avant-garde trumpeter Lester Bowie is gigging. The Bear joins in, and the pair make beautiful music together.

Zabor draws on his friendships with real-life jazz greats, such as Bowie, Ornette Coleman and Charlie Haden, to great literary effect. They are portrayed with the kind of in-joke empathy only a fellow jazz cat could exploit, yet without estranging jazz virgins.

As for the plot, after his momentous entrée into the jazz circuit, the Bear cuts a record, is kidnapped by scheming scientists, goes on tour, and falls in love with Iris, a human female research biologist. In ecstatic

cally graphic, John Irvingesque prose, the Bear and Iris negotiate a potentially fatal (for Iris, anyway) act of "soul-transferring" sex. Unfortunately, Zabor is an over-enthusiastic proselytiser of Tantric states, and his 500-page novel could have done with a sceptical edit. When plot development runs dry, tension is introduced by Iris's reluctance to commit to an interspecies relationship.

But Zabor portrays his Bear with such understanding of not only what it is like to be a bear in a man's world, but what it's like to play acoustic music in a hit-tech era, that his dilemma is made unforgettably poignant – especially when he is torn between rolling round in the muddy undergrowth of a forest and cowering with his lady love in a four-poster.

Finally, because *The Bear Comes Home* is about so much more, it wouldn't be revealing too much to say that, against all the odds, bear gets girl.

NEW AUTHORS PUBLISH YOUR WORK
ALL SUBJECTS CONSIDERED
Fiction, non-fiction, Biography, Religious, Poetry, Children's
AUTHORS WELCOME TO WRITE OR SEND YOUR MANUSCRIPT TO
MINERVA PRESS
15 OLD WINDMILL LANE
LONDON SW17 3JG

BOOKS

The truth about Adam and Eve

Joan Smith discovers how male frogs in boxer shorts helped solve the conception debate

In a book published in 1789, an Italian priest and naturalist described experiments he had undertaken in his laboratory which involved sewing male frogs into boxer shorts. This tricky and time-consuming operation, which repeated experiments unsuccessfully performed 30 years before by two earlier naturalists, was to lead to a momentous discovery: the fact that semen, not just an egg, is necessary for conception to take place.

This may seem obvious to us but, as Clara Pinto-Correia demonstrates in this spirited account of a fierce scientific controversy, it was by no means so in the 18th century. Dominated by theology, many naturalists were adherents of preformation – the idea that during Creation, God had concealed future generations of miniature creatures inside the first people he placed in the

Garden of Eden. According to this theory, every human being who would ever be born had already been created by the time God rested from his labours on the seventh day: one exponent of this cause, the Swiss naturalist Albrecht von Haller, even went so far as to calculate that two hundred thousand million human beings had been concealed inside the ovary of Eve.

Von Haller, though, had his opponents – biologists who believed that it was Adam, not Eve, who had been chosen to contain the human race in its entirety. This meant that the preformationists were locked in battles among themselves,

as well as with those naturalists who favoured epigenesis – the idea that adult organisms, of whatever species, develop from tissue which has no counterpart in the embryo. Both sides in the argument were helped by the recent invention of the microscope, which they employed to examine semen from frogs, salamanders, dogs and occasionally humans, sometimes drawing what seem to modern eyes baffling conclusions.

The weakness of the preformationist case was its failure to explain the part played by the redundant partner in conception, so to speak. If Eve was created with all these humunculi

just waiting to be born, what was the role of Adam, and vice versa? The spermists were reduced to claiming that the egg was simply a

THE OVARY OF EVE: EGG AND SPERM AND PREFORMATION
by Clara Pinto-Correia

University of Chicago Press
£32.95, 396 pages

nest in which the male deposited his precious cargo, the ovists that the male provided a "wake-up call" for the tiny human who had been crumpled within its egg since Eternity.

But the absurdities of the

argument did not stop there. Preformation caused theological as well as practical problems: for the prevailing misogyny of many naturalists – most of them also priests or monks – meant that they could not bear the notion that God had placed the entire human race in as imperfect a vessel as Eve. On the other hand, if they argued in favour of male sperm as the home of the humunculi, masturbation was transformed in an instant from a sin to mass murder.

It was the pressure of problems such as these, as well as scientific curiosity, which led to a bizarre array of experiments to find out how

conception really took place, with a gradual shift away from preformation in favour of epigenesis (modern biology, as Pinto-Correia points out, favours a synthesis of these two apparently opposed positions). The discovery of genes means that scientists now accept that "the destiny of the embryo is already inscribed in the egg before fertilisation", which means that the blueprint – obviously not the actual human being – exists in coded form before conception.

The role of Lazzaro Spallanzani's male frogs in this debate was crucial. Spallanzani, who was originally a preformationist and an ovist,

had a sufficiently inquiring mind to test his theories in the laboratory – and arrived instead at the conclusion that sperm play an active role in reproduction. His male frogs sought out their female counterparts "with equal eagerness", in spite of their taffeta breeches, but no offspring resulted.

"The eggs," he reported, "are never prolific, for want of having been bedewed with semen, which sometimes can be seen in the breeches in the form of drops." In this way, Spallanzani's apparently preposterous experiments played an important part in resolving the long dispute among naturalists in several European countries

– and showed that science, in the end, was capable of triumphing over theology.

This strange and, at first sight, arcane episode is handled brilliantly and often humorously in *The Ovary of Eve*. Pinto-Correia, who is professor of developmental biology in Lisbon, provides character sketches of the scientists involved in the dispute and the way in which their views were influenced by other disciplines, not just theology but philosophy and even politics.

Her work is a reminder of the rarity of pure research and a testament to what she calls "the despised role occupied by women in the universal configurations of all natural philosophies". For centuries, as her book comprehensively demonstrates, science and theology were at one in this if nothing else: the distaste they felt for the guilty daughters of Eve.

It is hard to disagree with Adam Phillips without appearing naive or envious. Since the dazzling provocation of his essays, "On Kissing, Tickling and Being Bored" and "On Flirtation", he has been the darling of every liberal intellectual who wants to flirt with psychoanalysis without committing to it. He is the media shrink for our times: a highly literate postmodernist who shuns absolute values in his writing, and in life mixes political correctness – as a child psychologist, he treats disturbed children free – with the glamour of famous clients queuing up to unveil their psyches in his private practice.

The Beast in the Nursery is imbued with the reassuring relativism that makes him appealing – psychoanalysis will survive, he has said "by seeing itself not as the Truth but as one way among others of talking about love, loss and memory".

In his emphasis on how the modern "trimming of psychoanalysis has obscured something of value; an attentiveness to the irregular, to the oddity... to the singularity borne of each person's distinctive history", Phillips offers a liberating corrective to our cult of normality, in which shrink can seem like American dentist, hell bent on achieving the psychological equivalent of a gleaming, perfectly even set of teeth.

Phillips' celebration here of psychoanalysis not as the science that Freud saw it, but as an art – he quotes Henry James' "art makes life, makes interest, makes importance" – is comforting and attractive. But it is his focus on childhood, rather than on kissing or tickling, that makes this book his most ambitious. Phillips "questions whether our first appetites can survive the acquisition of language, the donning of custom, the onset of education – all the ways in which we learn the world is not simply what we want it to be".

Here again, his observations purr with perception and enlightenment: "There is an inevitable element of humiliation in simply being a child," making the desire to grow up and learn overwhelming, but "children are fervent in their looking forward to things; whereas adults can lose a sense of what is there for the taking. The child, it seemed to Freud, was the virtuoso of desire, for whom the meaning of life could only be its satisfaction." Fine, as the thinking-parent's Penelope Leach, but Phillips is more than that: an interpreter of Freud; a writer exploring the role of psychoanalysis today.

His homage to Freud is refreshing in an age of bashing the master: his arguments are rooted in Freud's central tenet – that adult experience echoes and



'Something essential is lost in the process of growing up,' says Adam Phillips in *The Beast in the Nursery*

From *The Saturday Evening Post*, January 1980 (reproduced by permission)

Looking in the nursery

The hero of the couch has a fresh insight into childhood, writes Jackie Wullschlager

repeats childhood experience, and, in their insistence that children's sexual curiosity is both the motor and the paradigm for all learning, his essays here are a baroque exposition on Freud's "On the Sexual Theories of Children".

As a literary critic, he is fascinated by the line stretching from the late Romantics and their worship of children and the primitive, through the 19th century – the first generation to give us child-heroes in fiction, such as Oliver Twist, as well as the first children's literature – to Freud, whom he calls "a very late Romantic".

He adds few interpretative elements of his own, other than a vague philosophy of happiness. Late Romanticism still haunts us, he says, because "it is now a commonplace assumption that something essential is lost in the process of growing up.

Whether it is called vision, or imagination, or vitality, or hope, lives are considered to erode over time. This is psychoanalysis as the high art of disillusionment."

Freud, 19th century child of endurance and duty, thought psychoanalysis could make lives less miserable.

THE BEAST IN THE NURSERY
by Adam Phillips
Faber £14.99, 134 pages

ble. Phillips, 20th century child of pleasure and excitement, sees in rage and conflict and fantasy the thrill of the life-force: "It is appetite that makes things edible, just as it is imagination that makes lives liveable." In a world where two-year-olds sing "I'm a Barbie girl in a Barbie world... I think plastic is fantastic", this message could be exhilarating.

Except that Phillips does

not believe in messages. His entire book is couched in the obfuscation and deliberate mystification of shrink-talk, which reads in direct contradiction to the humanity with which he approaches childhood.

His highly stylised, allusive way of writing, its postmodern twists, seem to me to ignore the demands of the mind for clarity.

On his earlier subjects – flirting, tickling – the method of teasing the reader with suggestions at least matched the content; here it irritates because the tantalising are-you-clever-enough-for-me tone is so irrelevant to basic issues such as our perception of childhood.

"It would be merely cute to be merely suggestive about hinting" begins the essay about the way children perceive orders as hints; it ends "it may be more interesting that things begin at all than that they continue or even end. The hint, taken

or given, is a form of hope. Expecting the earth, we get something."

Compare this with the lucidity and passion of the great psychoanalytical writers – Freud, Bettelheim, Anthony Storr – and it reads like 1990s psychobabble: a mix of non-commitment and greedy empowerment which tells us little. Phillips' conceit – in both senses of the word – is to write a book as a psychoanalytical session: you begin with uncertainty about where you are going, but with the possibility of enlightenment; there are shafts of illumination; nothing is firmly believed or delineated.

In the consulting room, this approach has advantages – the shrink as non-coercive presence, rather than representative of controlling society. On the page, it leaves you titillated but intellectually unsatisfied. Perhaps psychoanalysis no

longer needs to be messianic, to preach communism, because loosely we are all Freudians now. But the recent deluge of high-powered books about childhood – from Neil Postman's *The Disappearance of Childhood*, to, so far this year, Robin Baker's *Baby Wars*, Melissa Benn's *Mamma and Child*, Robert Coles' *The Moral Intelligence of Children* – reveals our unease about bringing up children, about acknowledging our values and exercising our authority. Have you noticed how shy adults are of telling off other people's kids in the playground?

"Modern" babies," says Phillips, "are described by their parents, and often experienced, as both imperialists and commodities."

For better and worse, his well-meaning, too-smart, tentative book is the quietest, most sensible voice of the 1990s parent.

There is an altogether more pleasant resonance of laughter in charity, too. But Screech is right: there are no chuckles in St Paul, and Christians had to be taught to laugh. Despite Freud, laughter need not equate to cruelty. Nor is it inherently the flag of an empty brain. We do not know for sure whether mankind is the only species capable of laughing. But this book nicely reminds us that it is against our better nature to "maintain unsmiling sobriety."

Nigel Spivey

A policy taken too far

Mark Archer on the ruling out of a British war conspiracy

When a High Court jury upheld Lord Aldington's libel action against Count Nikolai Tolstoy in 1993, the figure which gripped most people's imagination was the £1.5m damages awarded against Tolstoy. The arguments in question, hard to follow at the time, have probably become blurred since.

Yet Tolstoy was alleging that, in forcibly repatriating 70,000 Cossack and Yugoslav prisoners to be massacred by communists in the summer of 1945, the British Army in Austria was deliberately disobeying orders at the instigation of Aldington, then brigadier Toby Law, in collaboration with Harold Macmillan, then British resident minister in the Mediterranean.

Indeed, when the 91-year-old Macmillan died in 1986, he went to his grave believing that Tolstoy's decade-long allegations about his role in Britain's "greatest war crime" would besmirch his reputation forever.

Christopher Booker's exhaustive account of the repatriations is both compelling and appalling. There was no conspiracy, no cover-up. Tolstoy let his moral outrage get the better of his moral sense. He identified heroes and villains, Booker demonstrates, only by complex manipulation of the evidence. What actually happened, on the other hand, is hardly more palatable.

Policy "agreeing" the repatriation of all Soviet nationals to Russia had been issued following the Allied powers' Yalta conference in February 1945. Despite misgivings within Churchill's cabinet, the agreement was considered necessary to secure the safe return of Allied prisoners of war on Soviet soil. The subsequent Foreign Office instruction to Allied units further insisted they should "repatriate Soviet nationals irrespective of their wishes".

Implementation of the policy on the ground, however, was bedevilled by confusion over the precise definition of a "Soviet national", something never clarified by the Yalta agreement. Was it meant to include Tsarist exiles, who had fled the Soviet Union following the civil war, and who had joined the Germans to continue the fight against communism? Did it cover inhabitants of territories annexed by the Soviet Union after the beginning of the war?

As Allied HQ in Italy tried to elucidate this policy, each signal and counter-signal seemed to contradict each other and elicit a new set of problems. One beneficiary of the confusion was the 10,000-strong 1st Ukrainian Division, comprising Polish and Ukrainian nationalists, which managed to escape capture by the Red Army and surrendered to the British in Bavaria, whence many finally arrived in Britain. When Britain passed its War Crimes Act in 1981, many of the chief suspects were ageing veterans of this division long since settled in this country.

The same confusion beset instructions regarding the repatriation of dissidents and anti-Tito nationalists to the Yugoslav forces, who were demanding their return. Initially, instructions said they were not to be repatriated, later, only on

the condition that force should not be used. But did this include civilians and camp followers, many of whom had taken refuge with the troops fleeing from Tito's partisans, some of whom were not even native to Yugoslavia?

As Allied units threatened to be over-run by the huge numbers of prisoners of war and refugees in southern Austria, the order came to prepare an offensive against Tito's forces who were refusing to yield Trieste and Venezia Giulia to the Allies.

The "decks" had to be cleared and the decision was taken by the generals on the ground to apply the repatriation order in as sweeping and as peremptory a spirit as the original Yalta instruction had implied.

The result was a shocking series of forced removals, of Cossacks celebrating a Russian Orthodox service being bulldozed by British soldiers at bayonet point on to lorries, begging to be shot rather than returned to death or imprisonment, of Yugoslavs being put on trains on the understanding that they were being taken to Italy. Only for the train to take a different turning across the border to the waiting partisan forces.

A LOOKING-GLASS TRAGEDY: THE CONTROVERSY OVER THE REPATRIATIONS FROM AUSTRIA IN 1945

by Christopher Booker

Duckworth £25, 472 pages

The distaste felt by the officers and soldiers involved in this operation, in some cases involving deception, was widespread. Only the intervention of the Red Cross managed to bring to the attention of the authorities that non-Russian civilians, including some white Russian émigrés, were being indiscriminately repatriated with the Cossacks, with the result that 2,000 avoided being handed over.

While Booker disproves many of Tolstoy's more lurid accounts of massacres carried out within yards of the Allied hand-overs, the fact that he says these occurred further inside Yugoslav territory hardly matters. Equally, it is true that many of the Cossacks did regain their freedom, particularly after the general amnesty that followed Stalin's death in 1953, but only after years in imprisonment or Siberian exile had ruined their health.

There is no doubt that this indiscriminate repatriation was a crime against humanity, the wrong-doing of which a plea such as the "necessity of war" does nothing to remove. It is what Thersites in Shakespeare's *Trachiniae* and Orestes in *Agamemnon* call "occasion", the soldier's excuse. In a thoughtful postscript, Booker examines why so many subsequent sensationalist accounts have failed to acknowledge the hard-headed side of the story. He is right.

There may be a sentimental juvenility about our age which refuses to understand war, or which fails to credit authority with any notion of right-doing. But Thersites' cynical laughter will always stand as the strongest reproach to any simple judgement either way.

The cackles at Christ crucified are reported in Matthew's Gospel, and predicted in Psalm 22. "He trusted in God, that He would deliver him? Let Him deliver him, if He delight in him." The tee-hee-hee, ha-ha-ha mockery was programmed into the strings and choruses of Handel's *Messiah*; more crudely, it echoes in the libretto of *Jesus Christ Superstar*.

The cynical definition

given of laughter by Thomas Hobbes – that it arises from the "sudden glory" brought on by witness of another's misfortune or imperfection – is buttressed by the presence of pharisees in Matthew's mob. The two flanking thieves even join their guffaws.

Are good Christians cate-

gorically obliged to refrain from mirth? "The merriment of parsons is mighty offensive," said Dr Johnson, as if any devoted contemplation of the Cross obliged the pious to suck lemons and set their features in fixed and wintry resolution.

It is a serious question, and I think it is the subject of this distinctive book. The implicit hesitation of "I think" simply indicates an author who is himself playful about advancing the usual sort of sustained argument. There are 53 chapters on offer, some a mere page or two in length. Take them or leave them, he seems to say. Pursuing footnotes is advertised as optional; in tone, the writing is urbane, anecdotal and considered. The passions of comic response are drily praised. Michael Screech is prima-

ry known as an editor and expositor of Renaissance literature. So it is no surprise to find him championing Erasmus and Rabelais here, renegade monks and lively resuscitants of the pagan capacity to regard the world as a stage for fools. The buoyant reaction to banal

LAUGHTER AT THE FOOT OF THE CROSS
by M.A. Screech
Penguin £30, 328 pages

disaster enshrined in the modern idiom, "you've got to laugh", was indeed the basis of an entire ethical system attached to the philosophy of Democritus of Abdera.

Socrates is said to have regarded any laughterless seminar as a failed educational experience. And conceivably the Monty Python

team referred to the Democritean duty of seeking durable cheerfulness when the ranks of the crucified at the end of *The Life of Brian* all chorus Eric Idle's exhortation to look on the bright side of life.

By confining himself to antique or Renaissance sources and little beyond, Screech does not begin to engage with the presumed rapport between laughter and the subconscious, or the psychological functions of laughter as aggression and defence.

The carnivalesque analysis of Rabelais proposed by Mikhail Bakhtin is ignored, perhaps rashly: after all, there is historic congruence between Christian festivals and the pagan Saturnalia, even if clergymen prefer to disguise it. Screech, however, seeks a higher vein of

FT BOOKSHOP

To order any books reviewed on these pages from anywhere in the world please call: +44 181 324 5511 or fax your credit card details to: +44 181 324 5578

Cheques (UK and Eurocheques only please) can be sent to: FT Bookshop, BVCO, 250 Western Avenue, London W3 6XZ. E-mail: bid@mail.bogo.co.uk

| Mailshot Postage Rates: | Europe | Rest of World |
|-------------------------|--------|---------------|
| Hardback | £1.50 | £7.50 |
| Paperback | £1.50 | £3.95 |

مكتبة النخيل

ARTS

Television / Christopher Dunkley

Unhappiness is a children's writer

People who read avidly as children will probably never again experience such intense

involvement in worlds created by others. We try, of course. It sometimes seems as though adult experience of the arts - going to the cinema and theatre, watching television, attending operas and art exhibitions, as well as reading books - is largely concerned with the attempt to recapture that wonderful childish ability to lose yourself utterly in an existence other than that into which you were born.

But whether there are really people who can be described as "children's writers", whose work sets them aside from adult writers, seems questionable. You can often measure the greatness of a "children's book" by seeing how much it appeals to adults: *Alice in Wonderland* and *The Lord of the Rings* are almost certainly read by more adults than children.

Conversely, many adult books appeal powerfully to children,

with some classics such as *Gulliver's Travels* and *Robinson Crusoe* regarded as children's books, though they were never intended as such.

Between the ages of nine and 13, I devoured Arthur Ransome, Enid Blyton, Bernard Shaw (*Pygmalion* and *Androcles and the Lion* consumed at single sittings), Angela Brazil (yes, yes, stories for girls, and written for a previous generation, but full of atmosphere and humour - who cared if your elder brother and sister shrieked in derision?), Richard Crompton, C.S. Forester and Percy F. Westerman. The following conversation took place in an English class during my 18th year.

What's that you're reading under the desk, Dunkley?

What was the last thing I said? You said that this term you had to teach us some bloody grammar, sir, because you'd been told to.

All right Dunkley, back to the *Rabelais*.

No discrimination, you see: Blyton, Shaw and Rabelais were all the same in their ability to take you out of yourself. The early evening series *An Awfully Big Adventure* now running on BBC2 on Saturdays, assumes there are, indeed, such beings as children's writers, and offers a mixture of biography and critical appreciation of six. So far they have screened F. Nesbit and Kenneth Grahame. Tomorrow brings Arthur Ransome, then there will be Tolkien, Dr Seuss (perhaps they got some American co-production money) and Roald

Dahl. Taken together, what these programmes suggest is that if you want to succeed as a "children's writer" you are best advised to have a horrible childhood, never entirely grow up, and then lead a really bizarre adult life.

The opening programme on Nesbit, directed by Jeff Morgan and probably the best of the lot, set the pattern. Using archive photographs and film, extracts from dramatisations of the books such as *The Railway Children*, interviews with critics, poets and other commentators, dramatised scenes from the subject's life, and visits to the houses where she lived, it told an engrossing story.

Though married to the Fabian journalist Hubert Bland, Nesbit canoodled with Bernard Shaw (albeit less than she would have liked) and, in the words of the poet Adrian Mitchell, "had it off with several of the young poets clustering around her". She, Bland and Alice, his mistress, lived for a time in a ménage à trois. Their son died after an operation on his tonsils, largely from negligence, it was suggested.

Kenneth Grahame's son Alastair committed suicide at 19 by lying down on a railway track, neck on one line, ankles on the other. Six trains passed before anyone discovered the decapitated body. Sarah Aspinall's programme made it clear that the focal point of Kenneth Grahame's life were the years between four and seven, and while his son was that age they were the best of pals - even

If Alastair was banned from St James's Park for persistently biting and hitting little girls, but then the relationship broke down.

The programme on Arthur Ransome shows how he modelled the Walker family children - John, Susan, Titty and Roger - on the Altounyans (two of them contribute to the programme) and dedicated *Swallows and Amazons* to them but later, unable to bear their growing up, scrapped the dedication like a perulant child.

Next week's subject, J.R.R. Tolkien, seems at first to be the exception, even though, as an orphan, he had the requisite unhappy childhood. His adulthood, as an Oxford don, seems quiet and unremarkable, and in bringing out Tolkien's

dislike of the new-age claptrap with which his books were suddenly deluged in the 1960s, especially by American hippies, director Julian Birkett makes him seem ultra straight, conventional and grown up.

Yet Birkett also shows that *The Lord of the Rings* was written as an adjunct to the languages of elves and goblins which Tolkien invented and not vice versa, and you surely cannot get much more childish than inventing entire languages for the fairy folk.

Under editor Michael Poole, the programmes in *An Awfully Big Adventure* have moved on from the in-your-face revisionism which was beginning to err tediously on the side of outrage in every television biography. Retaining quite enough acidity and asperity, they show that - whether or not the phrase is justified - those known as children's writers form a fascinating bunch of oddballs.

Real bliss in the domestic

Bonnard is magic. William Packer discovers why the French painter is one of the century's masters

There has been no full-scale Bonnard exhibition since that at the Centre Pompidou in Paris 14 years ago, nor one here since the Royal Academy show of 1986. Bonnard, it would seem, is a rare treat, savoured hitherto rather in the smaller than the larger dose.

Yet Bonnard is one of the truly great painters of our century. And he is certainly the purest in that, whereas those few who stand with him in such rarefied competition - Matisse and Picasso, Beckmann perhaps or Mondrian - all made fundamental use of the line in the realisation of their work, Bonnard did it all in the paint alone. That is to say, in colour, tone and surface, area by area, touch upon touch.

That is not to say he was no draftsman, but rather that his drawing was assumed within the processes of painting as painting. Indeed, the manner of his drawings, of which this exhibition unfortunately offers no examples, makes the very point, in its delicate, slightly fussy building-up of tentative, exploratory dabs and strokes, establishing the image, as it were, from the inside out. And in just this way the paintings, too, though often odd and idiosyncratic in other respects, are usually sound enough in the drawing, in the turn of a foot or the set of a body balanced upon one leg.

It is only that the effect is always more suggestive than descriptive, more painterly than linear. One would always put him closer in this respect, to Monet or Pissarro than Degas.

Oddly enough, it was as a graphic artist that he first made his name, in his association with Vuillard, Denis and the other Nabis artists of the 1890s. What he got from the disciplines of print-making, from lithography in particular and the Japanese wood-block print, was his simplicity and strength of design, flattened planes, shifted perspectives, and defining verticals and horizontals. He also learnt to dispose flat, undifferentiated colour across an entire canvas.

One would always put him closer, in both spirit and practice, to Monet or Pissarro than Degas

was, and to work within it, in defiance of conventional tonality. These pictorial freedoms remained with him in his work throughout his life.

But the essential, painterly Bonnard was there from the first, whose print-making was informed by that primary sensibility rather than the other way about. The show opens with a high tripartite view down upon the Paris streets (1896), close in feeling to similar views of the time by Pissarro, yet prefiguring in spirit the landscapes of his own old age ("Le Cannet" 1943), the high view of paths across to a distant hut, and little figures working in the fields so like the passers-by milling about at the *carrefour*.

Bonnard was born in 1867,

and died in 1947. In 1893, he met Marthe Boursin, who became his model thereafter, the constant, enigmatic, animating presence in his work. He married her in 1926, two years after the death of Renée Monchaty, who had been his mistress for the previous few years. The circumstances of their long life together, the hostility shown towards her by Bonnard's family, and her supposed obsessive illnesses, of which her constant washing was taken as symptom, have given rise to much speculation and as much nonsense.

No doubt she was ill, and neurotic and reclusive too, but hydrotherapy was then a standard treatment, and the nude was ever a preoccupation of the artist. Bring the two together and we have an ever-present subject for the artist, remarkable in its product but unremarkable in itself. So, too, is the domestic preoccupation of the work in general - loaded tables, still-lives, views out of the window, gardens.

Rather more intriguing is what in the early days had clearly been worked directly from the intimate and observed incident - Marthe pulling on her stockings, washing, drying, sleeping - became in time somewhat more idealised, displaced, dream-like. Bonnard would mark the moment all right, notice the high heels and the turn and twist of the body, but now it would be the body still of the young woman he first knew. And the change is marked, after the turn of the century, by a lightning of the palette and a more chromatic than tonal modelling of the form.

Bonnard also came increasingly to work with his canvas on the studio wall



Bonnard's 'The Bathroom' 1908: In 1893, he met Marthe Boursin, who became his model thereafter, the constant, enigmatic, animating presence in his work

rather than on the easel, bringing the image to the work rather than the work to the subject.

And he would have his model move about him rather than set in the pose, which suggests again the

remembered, ideal presence, registered and validated as may be by the particular detail. Those characteristic shifting view points, disrupted spaces and faceless, naked figures, have thus a practical rather than

any theoretical explanation. They sprang from what Bonnard saw about him and the life he led, and to read more into them than that, of oppressive isolation or tedious domesticity, is mere presumption. Among them

at the Tate are some half-dozen of the greatest paintings made in the past 100 years - the "Country Dining Room" (1913); the "Yellow Cafe" (1928); the "Vigil" (1921); the nudes; the baths. Take your pick.

These are wonderful things.

Bonnard: The Tate Gallery, Millbank SW1, until May 17, then on to the Museum of Modern Art, New York. Sponsored by Ernst & Young.

The day music took a wrong turn

Antony Thorncroft on Masterprize, an attempt to save classical music from itself

John McLaren has acted where others have groaned. "Something had to be done," he says, about classical music. Declining audiences at concerts, falling sales of albums, and a lack of young talent had created the feeling that classical music, like masques, melodrama and mummies, could easily become a dead art form.

McLaren, a successful investment banker at Morgan Grenfell, showed his "can do" skills by writing a successful novel, with another out next month. Now he is trying to save classical music. An obvious flaw is that the great composers are long dead, and very little music written in

the past half century has entered the repertoire. The cultist passions of the musical establishment for atonal music and serialism has killed off the audience, and few of the compositions commissioned by the Arts Council and the BBC over the past 40 years received a second playing.

This conspiracy in high places ignored the fact that the handful of classical composers with some appeal to a contemporary audience, such as Arvo Pärt, Gorecki

and Tavener, were writing in a traditional, not to say, antique style. The piper's calling the tune seemed committed to permanent musical revolution, rejecting composers who stayed with melody in favour of a cutting-edge sound which seared off ears. "People had given up on contemporary classical music. I know of composers who were forced to write atonal music against their wishes just to get commissions," says McLaren. "Music had no mainstream, only the experimental. It is as if in literature there was nothing between James Joyce and Mills & Bunn. The bridge had broken between classical music and its audience."

He decided to do something about it, and five years and £300,000, later his labours will bear fruit on April 7 at the Barbican, when the final of Masterprize will crown the composer of a new work with a £25,000 award and the certainty that their music will reach a wide audience.

The progress to the final has blended knowledge and democracy. The original work had to be no more than 12 minutes long, be written for symphony orchestra, and

have the potential for broad and lasting appeal. More than 1,000 entries were received from musicians in 60 countries. These were whittled down to 15, and the compositions assessed by such heavyweight judges as Mstislav Rostropovich, Riccardo Muti, Kent Nagano and Andrew Davis.

The six finalists were an

'Composers were forced to write atonal music against their wishes'

organiser's dream, originating from Russia, Italy, the US, China, Australia and the UK. They include the American Stephen Hartke, who has been much played, and who sums up the general view of contemporary composers. "It is time to stop demonising us as some sort of mischief-maker. We write the music we do because we like it," perhaps the approach McLaren is attempting to change. The

Chinese and Australian contenders, Zhou Long and Carl Vine, are also quite well known, but the other three, including the 24-year-old Briton, Andrew March, are quite unknown.

McLaren, who had no say in the judging, is "satisfied with the pieces. It is all programmable music that orchestras can take up. It is at the more approachable end of contemporary music."

Only two of the compositions were written specifically for Masterprize. The other four were waiting for an audience, such as the piece written by March. He had won prizes at the Royal College of Music, but was getting no commissions. This neglect had created a composing block. His success in Masterprize has cleared the blockage.

McLaren's greatest achievement is to get most of the key people in the classical music world on his side. The judges are distinguished. BBC Radio 3, along with the World Service and 38 other radio stations around the world, is co-operating fully, and will broadcast the works of the six finalists at least three times in the run-up to the final. In

any theoretical explanation.

They sprang from what Bonnard saw about him and the life he led, and to read more into them than that, of oppressive isolation or tedious domesticity, is mere presumption. Among them

at the Tate are some half-dozen of the greatest paintings made in the past 100 years - the "Country Dining Room" (1913); the "Yellow Cafe" (1928); the "Vigil" (1921); the nudes; the baths. Take your pick.

inner conflicts with plenty of clanking chords and abrupt changes in sound.

McLaren's commitment to saving classical music from itself is paying off just at the time when the musical world is acknowledging that it took a wrong turning in the 1960s. Whoever wins Masterprize is writing the music that is now fashionable among serious followers of contemporary classical. Whether it is melodic and accessible enough to capture a wider audience is still an open question.

A little can mean so much

When you are weary of pain and fearful of the unknown, little things can mean so much. At Joseph's Hospice, we are dedicated to doing everything within our power to give comfort, support and peace of mind to those with terminal illnesses and their loved ones. We understand that all of you who have given so generously in the past and wish to continue your continuing support. Every donation, however small, makes a difference and is greatly appreciated by the staff and those in their care.

ST. JOSEPH'S HOSPICE
MARK ST. LONDON E1 6JA
Charity No. 261223

FRENCH TABLE CLOCK

FOR SALE
A beautiful 18th century French table clock with a marble top and a brass case. It is in excellent condition and is a real treasure. Price £1,200.00. Call 0171 235 8144.

ART GALLERIES

NATIONAL PRINT EXHIBITION 1998
11-22 Feb. Daily 10.5-6.00. Sundays 11-6.00. Free. Mall Galleries, The Mall, SW1
Admission: Arch. London, SW1

Gordon Reece Gallery

A major selling exhibition
Indian Tribal Art
For the first time in Europe. Masks, dolls, carvings, jewelry, bronzes from the tribal peoples of the Amazon basin. 18th Feb - 21st March. Mon-Sat 11-6. 16 Clifford Street, London W1. Tel: 0171 235 8144

PARKIN GALLERY

11th Feb
In the Shadow of the Buttery
Whistler & Walter Greaves
11 Maresfield Street, SW1
Mon-Fri 10-6pm
Tel: 0171 235 8144

AUCTION 77

March 14, 1998
Illustrated catalogue on request

G. Schifano
Die Graphik E. L. Kirchner, 1931
Die Graphik Ernst Ludwig Kirchner

Books - Prints - Drawings
Manuscripts - Autographs

VENATOR & HANSTEIN

D-5066 Cologne
Cathedralstr. 48
Tel: +49 221 35 54 19
Fax: 25 55 26

ARTS

No other city in the world can boast six new concert halls opening in the last five years. But this is Tokyo, where the construction boom of the infamous Bubble era of the late 1980s has produced a series of venues offering concertgoers variety they have never had.

State-of-the-art design and materials, the mausoleum proportions of the surrounds and glittering opening concert seasons, confirm no expense was spared. But they have turned up at the wrong time.

Japan's economic slow-down is biting into the classical music business. And with a static total audience, all the major performances are competing for the same concert-goers. "All wanting a bite of the same slice of the cake," according to Kenji Kishimoto, general manager of the Suntory, the longest established and pre-eminent concert hall.

While 1997 was the worst year for audience attendance (when even the great Suntory had unbooked nights), the main impact has been on spending patterns. Audiences are now more cost-conscious, heading for the cheaper seats first.

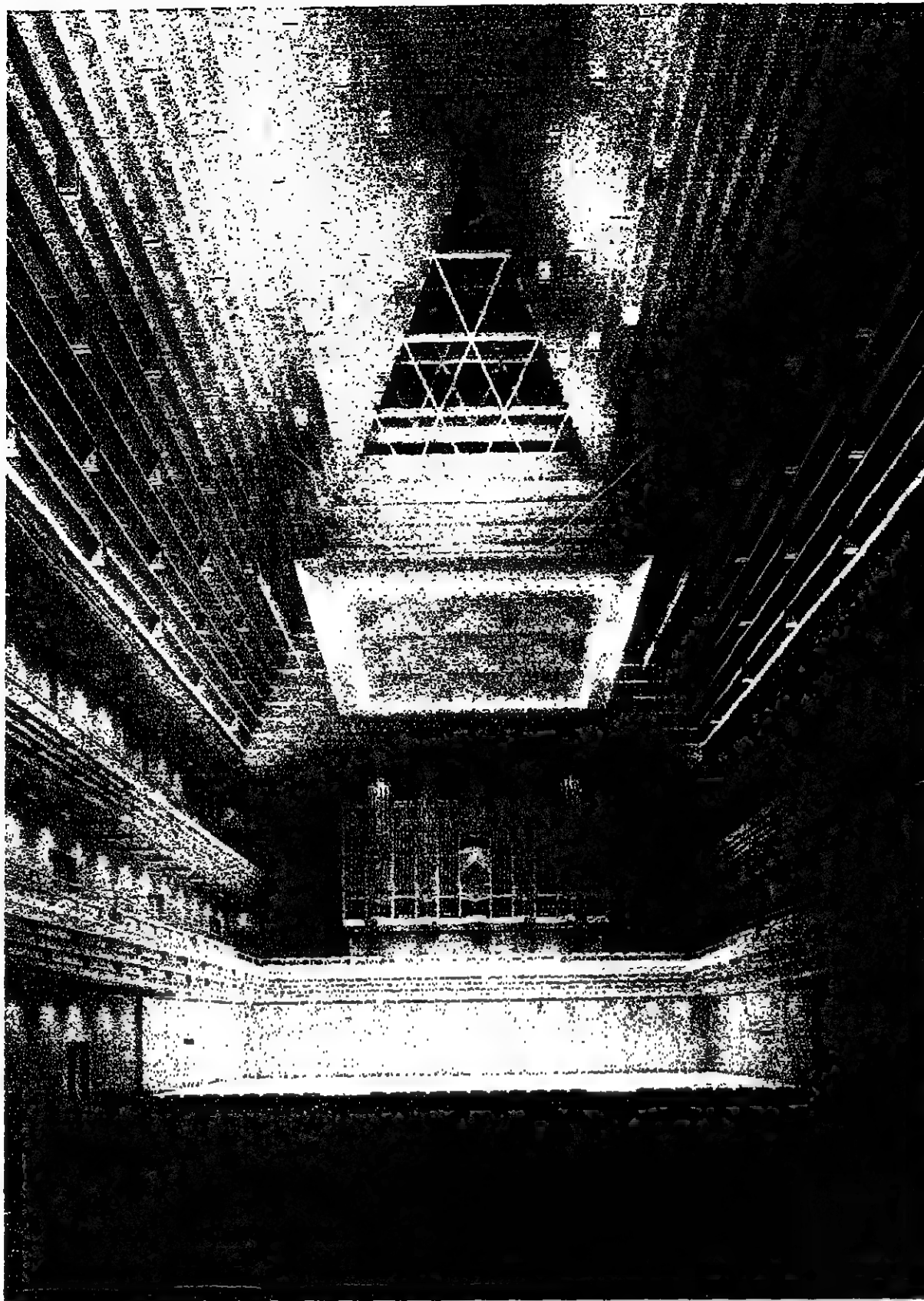
"In Japan, we have a professional, expert audience now," says Shoji Sato of concert agency, Kajimoto. "They will attend one concert rather than several and scrutinise carefully the conductor, soloist and programme ticket prices - and acoustics" before committing themselves.

From the Tokyo International Forum Concert Hall in the city's central new glass landmark, to the massive Tokyo Metropolitan Art Space, with its shifting stage wall and roof garden view, or the more subtle style of the Kioi Hall, the new auditoria are impressive. Financed mostly from public funds, designed by Japanese architects and showing off the country's high-tech acoustics, most were planned a decade ago. "The eggs of the Bubble economy hatched out," says Masako Okamura, producer of the Tokyo Opera City Concert Hall.

The Tokyo opera hall and Sumida Triphony, two of the most impressive, opened last autumn. The 1,800-seat opera hall, part of a \$1.8bn business-backed arts and high-rise office complex, is a new addition to the Shinjuku district, made famous in the film *Blade Runner*. A soaring, glass-roofed plaza flanked by high granite walls dwarfs the escalator entrance to the main all-oak concert hall modelled on the Vienna Musikverein.

Already the hall and its acoustics have won critical acclaim - from international artists such as conductors Michael Tilson-Thomas and Kent Nagano, violinist Yuri Bashmet and pianist Andras Schiff.

On the opposite side of Tokyo, across the Sumida River and near the Sumo stadium, the \$230m publicly owned Sumida Triphony Hall is different again. Part of the modernisation of the city's neglected eastern sector, and adorned with the works of 14 artists, imposing stairs and a marble-pillared foyer lead to the main 1,800-seat concert hall. The dramatic slope of cream balconies down to the platform, relieving the all-wood



The Tokyo Opera City Concert Hall: an acclaimed addition to the Shinjuku district

Discordant notes

Marie Myerscough on the arrival of Bubble-era venues in Tokyo

rectangular shape, is one of its most striking features. The opening season's international line-up includes conductor Seiji Ozawa, cellist Mstislav Rostropovich, violinist Itzhak Perlman and Dame Kiri Te Kanawa. Producer Kenji Mori says: "This area is firstly known for Sumo wrestling. Next we want it to be known for the Triphony Hall."

This may yet happen. The hall is the first to cater for people living in the eastern part of Tokyo and beyond, and the first in Japan to offer an orchestra an exclusive contract - to Seiji Ozawa and the New Japan Philharmonic. There are also plans to court a new local audience, in particular those who have perhaps never set foot in a classical concert hall.

The benefits of the venues extend beyond comfort and sophistication. Over the past

five years, the number of concerts in Tokyo has increased from about 3,450 to 3,800, while ticket prices have dropped to an average of 4625 yen (\$37). But at the top end, such as the Berlin or New York Philharmonic orchestras, tickets still go for 25,000-30,000 yen.

The greatest impact of the halls has been on the domestic music scene - the extra concerts are all going to the Japanese. The combination of improved playing standards and hearing their own musicians in good acoustics, is giving audiences and critics a new appreciation of their own instrumentalists and soloists.

Conversely, a more critical ear is now being turned to overseas performers. Along with the big names of western classical music, "minor musicians from Europe" have visited Japan, many no doubt attracted by the coun-

try's reputation for paying the world's highest performance fees. The validity of some of the eight ensembles in Tokyo recently, all with the prefix "Vienna", raised many questions.

But with a weakened yen and stagnant economy, concert promoters also realise they can no longer pay the high guaranteed payments of the pre-Bubble affluent era. "Now is the time for re-adjustment," says Kishimoto of the Suntory.

As a result, concerts by overseas performers have dropped from one-third to nearly a quarter. A forthcoming series at the Triphony Sumida Hall, the Festival of Visiting Japanese Orchestras, would have been unthinkable 10 years ago. Equally, the Tokyo Opera City Concert Hall's planned series, Time for Japanese Orchestras, featuring seven of Tokyo's nine symphony

orchestras, suggests that as with many things foreign, after a transient fling with imports, Japan then decides to give its support to the domestic product.

But doubts are being raised over the apparent glut of new halls - extravagant use of space, gimmickry, uneven acoustical standards, inexperienced management, too much money spent on buildings and insufficient available for concerts.

The impetus of prestigious opening seasons is unlikely to be maintained - neither the initial high-standard programmes nor high audience turnout. Already in some halls, concert budgets are said to have been cut and one has only a handful of bookings for March. Some in the music world feel there is a real danger the new halls could become costly white elephants, monuments to a former golden age.

The drama is all backstage

The new Piccolo theatre in Milan has had a troubled birth. Paul Betts explains why

Milan's two great theatrical institutions have always behaved like capricious prima donnas. If it is not one, it is the other throwing a tantrum which inevitably assumes a national and often international dimension.

La Scala, the older, grander and more famous of the two, is enjoying a period of "sumptuous tranquillity", in the words of Giovanni Sorel, the marketing and communications director of the smaller Piccolo Teatro di Milano.

La Scala was recently transformed into a semi-private foundation backed by rich sponsors such as the Pirelli tyre group, the Cariplo savings bank and the Eni oil company. It has a popular and highly regarded musical director in Riccardo Muti. Even when it puts on a below-par production, its audience of fussy Italians and enchanted Japanese warmly applaud. The Scala, it seems, can do no wrong.

A short walk away from the opera house, between the Castello Sforzesco and the Brera Latin quarter, the Piccolo has just opened its new theatre. A large jump of brick conceived in the 1970s when it was felt the city needed a proper theatre. It was only finished last year after many delays and political squabbles. It took two years to build La Scala. It has taken 20 to complete the Nuovo Piccolo, as it is known.

The blue Formica on some of its back-stage floors gives away its dated conception. But for all its humdrum appearance, the new Piccolo could not have hoped for a more theatrical opening.

The body and soul of the Piccolo has always been Giorgio Strehler, the co-founder of the original theatre in 1947 and arguably one of the greatest post-war theatre directors.

Strehler launched the idea of giving Milan, and for that matter Italy, its first publicly funded repertory company. He turned the Piccolo into an internationally acclaimed theatre, helped the world discover Goldoni and the commedia dell'arte, staged inspired productions of Shakespeare, Brecht and a string of Mozart operas.

The Piccolo had clearly become too small for his theatrical talents, and so the idea was born of building a new larger theatre in Milan to sit alongside the smaller Piccolo, as well as a third theatre d'essai to complement Strehler's troupe.

Strehler may have been a theatrical genius, but he was also a difficult man. In Milan, he invariably stirred up controversy, particularly because of his demands for artistic independence in a publicly funded company in a country where politicians given half a chance will meddle in everything and anything.

His new Piccolo project became embroiled in delay

after delay because political approval was necessary before each new phase of the building began. It then got caught up in the "bribeville" scandals of the early 1990s that rocked the country, and especially Milan's corrupt Socialist administration.

Just as the new theatre was finally becoming a reality, Strehler in a major huff with the local authorities, resigned from the Piccolo in December 1996. He was replaced by his friend Jack Lang, the former French Socialist culture minister. But the Piccolo could not be the driving force behind the project, preparing for the day the new theatre finally opened.

Shortly before Christmas, on December 23, he hosted a drinks party for the troupe rehearsing the production of *Così fan tutte*, which would inaugurate the new theatre in January this year. On Christmas day, at 75, he suddenly died.

The show had to go on and *Così fan tutte*, Strehler's last production, opened on January 26 in the new theatre. It has met with a favourable critical reception and, perhaps helped by Strehler's own most theatrical death, a box office success. The Piccolo has already decided to extend the run until March 22.

For all the critical and public success of its first production, can the Piccolo survive without its master? The question is all the more pertinent because the theatre has not only lost its creative director (even though Strehler had no official title), but it does not even have a management board. The term of the last board lapsed at the end of last month and the election of a new one has been held up by a furious

row that is a classic cameo of Italian politics.

For the first time in the history of Milan, the city is run by a centre-right majority. The Piccolo and Strehler have always been close to the left. To make matters more complicated, Milan is the only large Italian city held by the centre-right opposition. All the others are in the hands of sympathisers of the centre-left Olive Tree coalition.

Although the right and centre-right bourgeoisies have always been suspicious of Strehler and the Piccolo, Milan's administration is keen to retain control of the theatre. But Walter Veltroni, the deputy prime minister and culture minister and a member of the party of the democratic left (the former Communist party), wants to turn it into a "national theatre".

Milan's city fathers have denounced the culture minister for wanting to rob them of their new theatrical jewel. The culture minister argues that the Piccolo's future would be far more secure as a national institution. And the members of the troupe are anxious for the squabble to be resolved to allow the theatre to elect a new board, take decisions on its future, and find a creative director to guide the theatre beyond the next millennium - Strehler left a blueprint of productions, including Shakespeare and Goldoni, to feed the theatre only up to 2000.

The theatre does not want to become a permanent memorial to Strehler but a vibrant, innovative company that can continue to give Italy a place in the world theatre stage. The risk is that the political opera *bagia* surrounding the theatre will undermine these ambitions. If that were the case, the new Piccolo may well be condemned to becoming not so much a theatre, but a museum of Strehler.



The show goes on: 'Così fan tutte' at the Piccolo

Luigi Chittaghi

What is Alastair Campbell on about? The prime ministerial spin doctor's outburst against the dumbed-down BBC is curiously at odds with Downing Street's predilection for much-photographed soirées for TV chefs, pop stars, chat show hosts and soap thespians.

It is also rather unreasonable to blame the corporation for putting into practice those principles advocated by John Birt, friend of and socialiser with Tone and Shree themselves. Above all, it is staggeringly dishonest for him to blurt an assumed

outrage at the BBC's investigative approach when this administration has already surpassed the Conservatives in arrogantly refusing to provide a spokesman to programme after programme where a government view is required.

So much for accountability. So much for the people. You cut no ice by going to pop music awards in your

uncomprehending middle age. No wonder they throw water over you.

In other words, the new plastic instant culture is catching on. Internal changes last week at Radio 3 spread general gloom. The hitherto respected *Record Review* is the latest target, the latest booty to be plundered by the yahoos.

Perhaps as a proud but

melancholy reminder that it was once famous for its drama, Radio 4 has been bidding a long farewell to its greatness - no more full-length plays according to the new schedules effective, suitably enough, somewhere around All Fools' day - with a whistlestop tour of theatrical styles.

Last Saturday's *Clockwork Orange* was an example of

the latter, though drawn from a stage version rather than directly from the Anthony Burgess novel. Either way, Alison Hindell's production was exhilarating in its creation of a darkly stylised future nightworld. The chiselled cultural mosaic of the Droogs' language took wonderfully well to the lilting Welsh of Jason Hughes' gleeful bully Alex -

Dylan Thomas on a bad acid trip. Disturbingly entertaining, it was as zany and logical as brutal and subtle, as Burgess's original.

Not all recent productions have been as successful. Emlyn Williams' old thriller *Night Must Fall* - with another baby-faced Welsh psychopath, come to think of it was murderous Danny an Alex before his time? -

creaked slightly because the production (Alison Hindell again) observed the stage conventions of its time all too faithfully, down to the geographical unlikelihood of comic cockney char and a young doctor chap who was a caricature prewar juve lead. It was not played as send-up, or with modern gloss, or as a period piece, though there were hints of all three.

Anne Jameson made a spirited Mrs Bramson, the spoilt old lady who takes a homicidal viper to her bosom and suffers the fate of all who take in such unsuitable tenants.

James Bridle had a mini-revival some years ago in his native Scotland. I remember a good production of one of his whimsical comedies, I think at the Edinburgh Lyceum. It was not *Mr Boffy*, which Radio 4 revived rather dully. Bridle often sounds like a cross between Barrie and Shaw but without the latter's self-conscious verbal flourishes. *Boffy's* moral debates (the devil is coquered up in present-day Calvinist Scotland) sounded slightly arid, I would praise the satanic Boffy himself

but the Radio Times omits his name from the cast list while identifying two minor characters, as is its culturally semi-literate wont.

Still, "practise (sic) makes perfect" - as an RT picture caption remarks, though not in the same issue as the information that *Moll Flanders* is a famous 19th century novel. I don't know about the BBC but this holiday-eun-cookery-eun-gossip magazine is as dumb as they come, with its pinups and coy references to "exotic performance-on a slip road" when interviewing a soap star once charged with indecency in a car.

If this tawdry magazine is unable to provide the basic details of broadcasting it should change its title. What about *The People's Piffle*? The editor might then be invited to Downing Street for a glass of New World wine and a cheesy football with an adenooidal Liverpoolian who once used a four-letter word on air. This is the new pantheon. Sorry, Alastair Campbell, who did you say was dumbed down?

Foreign Investment
Today's most entertaining get collective to think of Authority thesaurus for their support in 1997.
The roadshow "WANTY BAG" will tour Europe from 2000 to 1998.
For more info, call 0171-354-2221
http://www.bulnet.com
mailto:info@homepages.com



The Royal Opera

Handel
Giulio Cesare

Julius Caesar

Sung in Italian with English Surtitles
Sponsored (1997) by The Friends of Covent Garden

"The most divinely beautiful sound I've heard all year..."

Rupert Christiansen - Daily Telegraph

19 21 24 26 28
February at 6.30pm
Tickets from £17
Box Office
0171-379 5399 or
0171-304 4000
Ticketmaster 0171-957 4000

فكرت في الكفر

Road test/Stuart Marshall

Audi Avant roars out a challenge to BMW

A golfer's estate car must have enough room in the load space for two bags of clubs and two Hill Billy power trolleys and still allow the cover to be pulled over. This is important. It is not a good idea to park a car with well over £1,000 worth of easily saleable kit on full view. Then, too, the vehicle must be big enough for relaxed driving to distant courses, but not so bulky as to make life a misery in city centres or be troublesome to park.

Economy is important: many of today's keen golfers are retired. Fixed incomes and soaring fuel prices do not mix well. So, turbo-diesel (TD) engines make good sense, especially those with super economical direct injection systems.

On top of that, years of experience have proved to me that automatic transmission is the perfect partner for a good TD. Sadly, if your spending limit is about £20,000, there is not a lot of choice if you insist on automatic transmission - most affordable TD estates have manual gears only.

If you can go higher, there are plenty of tempting two-pedal TD estates from BMW, Mercedes, Vauxhall (Opel) and Volvo. But, in the under-£20,000 class, there is only a pair of automatic TD estates - the Citroën Xantia (from £17,830), newly available with an advanced transmission that monitors and then adapts to a driver's technique; and the new Volkswagen Passat (from £18,580). I have not yet tried the

1.9-litre automatic Xantia TD estate. Citroën claims the transmission is so efficient that fuel consumption is almost the same as the manual gearbox model, which means around 42 miles per gallon (6.7 l/100km) in normal use. The automatic Passat TD 1.9-litre estate I am now driving is doing even better, at 44 mpg (6.4 l/100km).

The 110-horsepower Passat's direct injection TD is the most energy-efficient engine in any production car at present. The Xantia is using the PSA (Peugeot-Citroën) Group's renowned XUD engine with indirect injection, but not for much longer. PSA has just revealed a new, direct injection TD which will start to replace the XUD in the

autumn. As it is said to use up to 20 per cent less fuel, it might even take the economy crown from VW.

The new PSA engine has a common rail system. This curious term means that the fuel is held in a manifold at very high pressure before being injected directly into the cylinder, under electronic control. Injection pressure does not vary with engine speed, improving combustion efficiency, exhaust emissions and driveability.

Common rail technology has not yet been espoused by VW but it can only be a matter of time. Renault and Alfa Romeo are already selling cars with common rail TDs. Eventually, the system must sweep the whole industry. Indeed, among the engines



The Audi A6 Avant... it rides and handles like a top-class sports saloon

offered by Audi in another ideal golfer's car, the A6 Avant estate (see following item), is a 2.5-litre V6 TD with direct injection, although not common rail.

The A6 Avant could be the perfect car for a young executive with a liking for a weekend round of golf - or for his father who plays most days. Engines range from four-cylinder, 1.8-litre

petrol and 1.9-litre TD to V6s of 2.4 and 2.8 litres (petrol) and 2.5 litres (TD). Power outputs are from 110 horsepower (1.9 TD) to 193 hp (2.8 V6).

Standard transmissions are five-speed or six-speed manual according to model. A five-speed automatic with tiptronic, which can be left to its own devices or used like a clutchless manual shift, is an extra cost option. In south-west France last week, I dipped into the A6

Avants, which will be formidable rivals for the BMW 5-Series touring when they arrive in Britain in the spring. They are little different in size from the outstanding new VW Passat estate and share some engines, but they are equipped to an even higher specification, look lower and sportier - and cost more.

The cheapest A6 Avant (a 110 hp, 1.9-litre TD) will be £24,071 - £5,000 more than its Passat estate counterpart.

The cheapest petrol Avant, the £24,616 1.8 T, has a 150 hp, multi-valve, four-cylinder engine. The most expensive is a 193 hp, 2.8-litre, V6-engined quattro with permanent four-wheel drive, at £31,780.

I find the A6 Avants difficult to fault. They ride and handle like top-class sports saloons and cruise in silken silence. Road noise on coarse surfaces is noticeable in the most powerful versions with the squattest, ultra-low profile tyres, but not in the less muscular, narrower-tyred versions.

For me, the best of the bunch was the V6, TD-engined, 2.5 TDI SE with optional tiptronic transmission. Leave the selector alone and the transmission is fully automatic. Slip the selector to the right and you have a clutchless manual gearbox, with instant shifts under full power.

I thought it a brilliant car. Quick off the mark, a whispering high-speed cruiser at low engine revolutions, capable of 40 mpg (7 l/100 km) and roomy enough for five people with a lot of luggage... who could ask for anything more?

Many of the best car designers develop from stylists to supervisors as they climb the corporate ladder. At best, they gain responsibility for a brand - or, better still, an entire group's design.

Few, however, reach the dizzy heights of Tom Gale, Chrysler's head of styling and much else. And none has done so while retaining his identity as a designer.

Isolating Gale's origins would be hard from his visiting card. It tells you he is executive vice-president (product strategy, design and external affairs), and general manager of the Jeep division. Design seems to be seriously diluted in his job description.

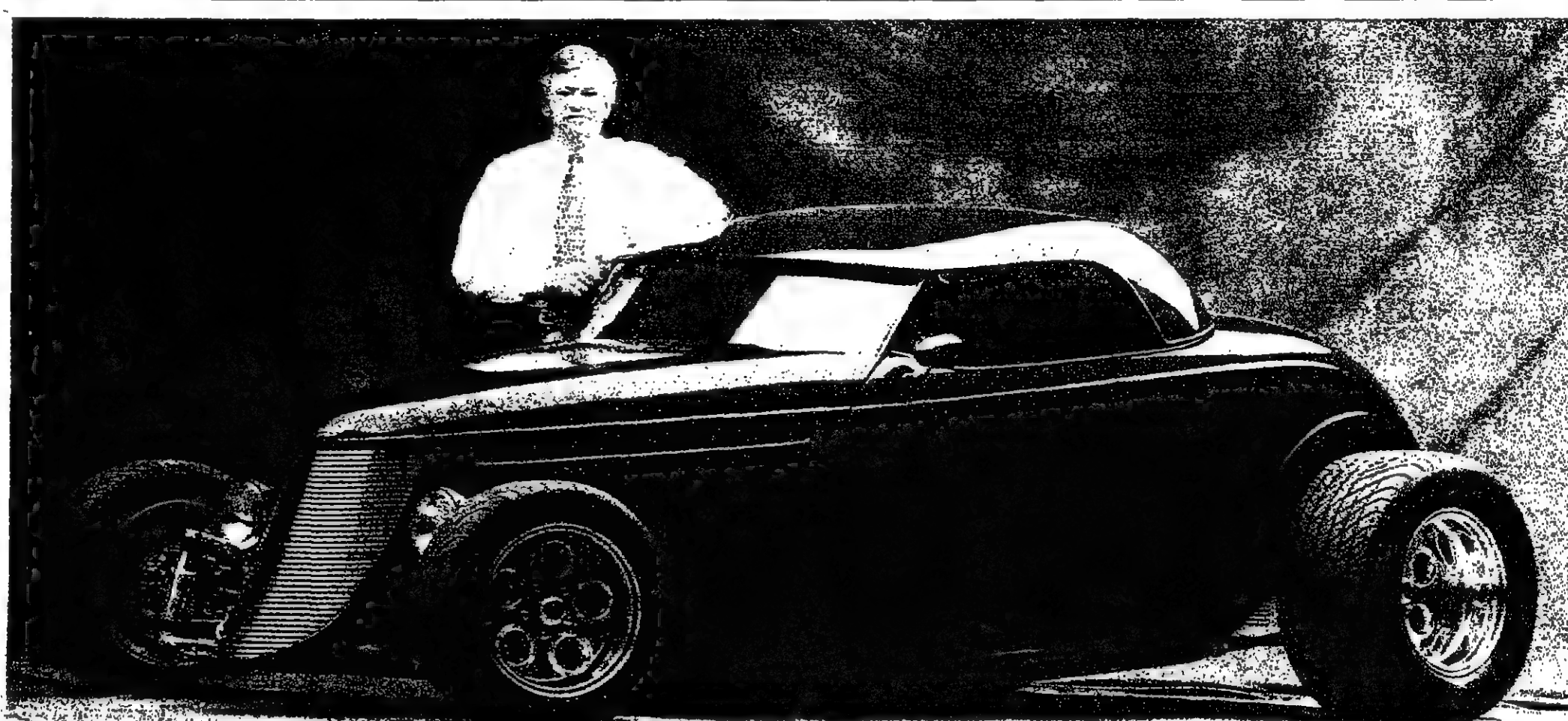
Yet, in spite of the heap of titles he has accumulated in three decades with America's most creative and resourceful car-maker, it is for design that he remains best known.

Ask about his proudest achievements at Chrysler - the smallest of Detroit's Big Three, which has twice been near bankruptcy - and he cites the Voyager, the world's first multi-purpose vehicle (MPV). Now in its second incarnation, it was one of the milestones in the company's financial recovery after a roller-coaster ride under the larger-than-life Lee Iacocca, its previous chairman. By combining the attributes of a comfortable family saloon with the flexibility and carrying capacity of a van, it created a new niche and saved Chrysler's skin.

Mini-vans are not the only products of which 54-year-old Gale feels proud. He played a central role in reviving Jeep, the brand bought by Renault as part of American Motors and sold by the French to Chrysler in 1987 - a decision still rued in Paris.

All the latest generation of Jeeps was influenced by Gale's pen after he took over as vice-president of design in 1986. The honest, timeless lines of the Cherokee, barely changed in last year's face-lift, and the elegant Grand Cherokee played a significant part in reviving Chrysler's fortunes by moving it into the then nascent market for high-margin sports utility vehicles.

It was not only production cars which guided Chrysler's financial recovery. Gale helped put the company, written off by many potential customers, back on the map with a string of attention-grabbing concept cars, many harking back to the group's heyday in the 1950s. As he puts it:



The Plymouth Prowler seats two and is the colour purple. Tom Gale says: "I'm amazed everyone has let us get away with what we've been doing"

Gale Sims Photography

Car designers/Tom Gale

The man who saved Chrysler's skin

Haig Simonian meets the man responsible for the world's first multi-purpose vehicle - and much, much more

"We had to get out there and say: 'Hey, we aren't dead!'"

From the first concept car 11 years ago, the idea was to do more than just let talented designers exercise their creative skills. "One thing I felt when I took over design was that we were always a very reactive firm. What I really wanted to do was get us in front."

The concept cars were meant to underline Chrysler's distinctiveness from General Motors and Ford, and Gale admits: "I'm just amazed everyone has let us get away with what we've been doing." Often whacky, they reinforced Chrysler's growing image as a company not run by bean counters in suits but by

genuine car enthusiasts. Gale notes that even colleagues who were unconvinced at first "recognised this was gold. What other medium would have allowed us to gain that much exposure?"

Many of the concepts were sporty, exotic, much loved by opinion-forming motoring writers but never designed to take to the road. So, it helped when some - such as the 1989 Viper, a muscular, high-performance coupé - made it from mock-up to real motoring.

The Viper is built in low volumes at a specialist plant. By badging it as a Dodge, Chrysler lifted the image of this rather bland name. "We needed to put a face on it," says Gale. Two years

ago, the company pulled the same trick with the Prowler, an aptly-named, sharp-nosed convertible redolent of the 1930s. This is sold as a Plymouth.

Because of his corporate responsibilities, Gale has not taken up the sketch pad for some time. But he believes the presence of a designer among the group's top guns was instrumental in giving design a bigger role in Chrysler's corporate affairs. "I think the concept cars have given a different image to our company than we would have been able to gain otherwise."

Gale trained as an engineer before switching to styling - something that probably eased his path upward. Starting at

GM's AC spark plug subsidiary, he moved to advanced body engineering at Chrysler after gaining his master's degree. Four years later, he transferred to design.

Typically for a Chrysler man, where teamwork is part of the corporate mantra, he stresses the role of that and good management in the design process. "This is as much about productivity and managing staff smoothly."

He adds that clear communication and co-operation "are one of the things that have made us somewhat different. You don't have to tear something down to make something else good". And he believes that design at other companies is often "more dictatorial".

While most praise the design renaissance Gale has inspired, some criticise him for being too "retro". Many of Chrysler's concept cars hark back to products from a bygone age, especially a somewhat romanticised 1950s.

Even recent production cars have emphasised such features as the group's once-famous chequerboard radiator grille. Last year, Chrysler went so far as to reintroduce its old corporate badge of the 1920s.

Gale is unmoved by such criticisms. Restoring tradition - such as the bold vertical slats on the radiator grille - was a priority at Jeep which, he feels, had moved too far from its roots under AMC. Dodge, meanwhile, had been

affected by a "lack of identity", something that cars such as the Viper and the more recent Intrepid saloon have helped to restore.

Then, too, reviving the badge had helped to emphasise the heritage of the core Chrysler brand. "Now," says Gale, "you can start to see its identity."

Foreign buyers, already familiar with Jeep, will be seeing more of Chrysler's products on the road with a new marketing push later this year. Sales of the 300M, a sleek and (for Europe) large saloon, will start in the autumn. Whatever people might think of its aggressive styling, one thing is clear: no one will mistake it for anything but a Chrysler.

Cars that tell the story of fame

Joan Huyser-Honig visits a very Las Vegas museum

I cannot stop looking at this gleaming red car: abraded back end, long flat sweep from windshield to headlights, flowing curve from running board up to hub caps. It is a 1936 Mercedes-Benz 500K Spezial-Roadster, with a super-charged, five-litre engine and mother-of-pearl dashboard, and it reminds me of a French rugby player with brawny shoulders and swivel hips.

Its presence makes me glad, too, that classic car buff Ralph Engelstad met Richie Clyne, now curator of Engelstad's Imperial Palace auto collection in Las Vegas. Engelstad grew up driving serviceable Fords, Pontiacs and Chevrolets. He bought his first classic, a 1929 Ford Model A roadster, with the

intention of building an all-Ford collection.

But Clyne, a dealer in collectors' cars, convinced him to focus instead on *la crème de la crème* - Duesenbergs, Rolls-Royces, Mercedes-Benz models from the late 1930s, and vehicles owned by the rich and famous. The result makes the Imperial Palace collection a lot more fun for everyone.

The museum, on the fifth floor of the Imperial Palace hotel parking garage, is a very Las Vegas kind of place. It is big enough to display 200 of the collection's 800-plus vehicles, which shimmer on whitened gravel beside costumed mannequins and painted backdrops.

Each month, 10 to 15 of the exhibits are rotated in and

out, so you will see something new even if you have visited before.

The museum has old vehicles: its 1897 Haynesville Apperson two-cylinder, four-seat Surrey sold for \$2,000 (\$1,200) a century ago and ran on naphtha or cleaning fluid. And you will see such rarities as a 1977 Saferkar, which has an all-leather exterior and doors that extend to keep any attacking beasts well clear.

The museum's trump card, though, is its collection of celebrity cars. There is a green, two-door, 1939 Chrysler Royale once owned by the father of Johnny Carson, the legendary US chat show king. As an adjacent video explains, in truly American fashion: "It's the car Johnny learned to drive, the car he

drove to his senior prom (high school dance)."

The Chrysler is part of Entertainers' Row, where a phrase from a 1939 Daimler advertisement rings particularly true: "By their cars, you shall know them." One example is the 1954 Chrysler owned by Howard Hughes. The US tycoon who turned recuse when he developed a phobia about germs. Hughes had an air purification system installed in the boot and sealed every window but the driver's.

Liberace, a flashy entertainer, had a custom-built candelabra installed in his pale cream, 1981 Zimmer Gold Spirit, and also owned a gold and black 1966 Rolls-Royce with a tapestry-like interior. Then there is Adolf Hitler's 1936 Mercedes-Benz 770K parade car, 20ft long and 7ft wide. It weighs almost six tons, is armoured to protect against bullets and mines, holds nine passengers and has an 80 gallon petrol tank.

Through a special arrangement, select inmates at a Nevada jail have restored dozens of Imperial Palace cars. Their first effort was former president Richard Nixon's black 1967 Lincoln

convertible. The prisoners added their own touch - a customised licence plate that reads "PARDON ME".

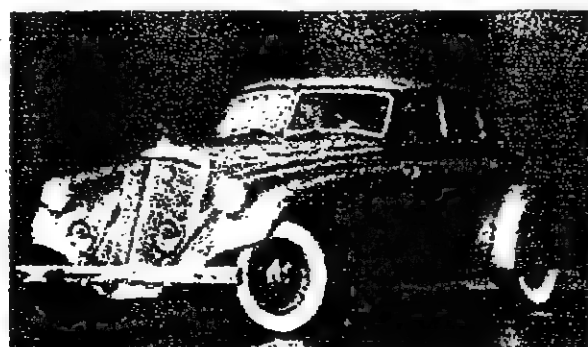
Most flamboyant is the 15,000-sq ft Duesenberg Room which has the world's largest collection of Model J Duesenbergs, worth more than \$50m (£29.9m). Here, you can see vehicles owned by actor Tyrone Power, razor mogul Jack Schick, and India's Prince Sahibzada Nawab Azam.

The Model J, capable of 120mph, was a gamble. At a time when stockbrokers were leaping from windows, Duesenberg bet that people would pay \$18,000 to choose body styles and contrasting colours for their custom-built classics. His luck held from 1929 to 1937, when the company was dissolved.

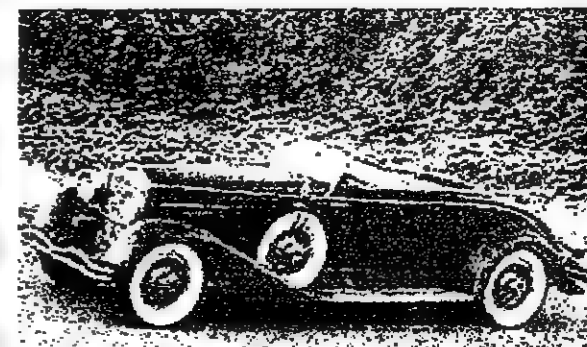
Should you feel thirsty, the Duesenberg Room has something you will not find in any other motoring museum - a lounge with an 1880s mahogany bar selling everything from martinis to sodas.

As visitors to Las Vegas might expect, the Imperial Palace auto collection offers more than just glamorous cars. There are motorcycles owned by actors Steve McQueen and Clark Gable, and the 1908 UNIC taxi that appeared in the Academy Award-winning picture *My Fair Lady*.

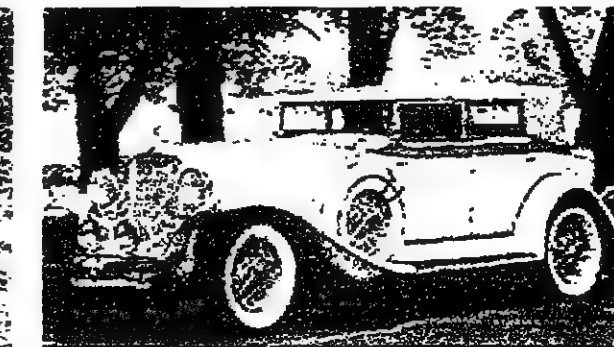
There is one drawback: it closes at 11.30pm each day. Its publicist, Larry Houck, apologises for this. After all, Vegas is a town that prides itself on being open all hours.



A 1933 Pierce Arrow, one of the many stars at the Imperial Palace



A classic 1933 Duesenberg. The company ceased trading in 1937



A 1933 Auburn, another of the collection's 800 vehicles

Museum information

- The museum is on the fifth floor of the parking garage at Imperial Palace Hotel & Casino, 3535 Las Vegas Boulevard South and Flamingo, Las Vegas, NV 89109-3935. Tel: 1-702-731-3311.
- Parents will be relieved to know that you can reach the Imperial Palace auto collection without having to walk through a casino first. You won't even have to pay to get in. Simply click on <http://www.imperialpalace.net/auto/> to print out a free family pass.
- The museum is open daily from 9.30am to 11.30pm. Admission is \$6.95 for adults, \$3 for senior citizens and children aged 12 and under.
- The museum gift shop sells more than 500 titles, including souvenir books and videos of the collection.

How to Spend It



Fashion

For sheer glamour try two of London's couturiers

Vanessa Friedman talks to Deborah Milner and Antony Price

For the past few years, while preparing for his annual show, milliner Philip Treacy has had a problem - he needs clothes to go under his hats. This is not as simple as it sounds.

Treacy needs clothes that are as extraordinary and creative as the fantasy confections that will top them; clothes that reflect his themes without deflecting the spotlight.

Indeed, to make such clothes, Treacy needs to find a designer, or designers, whose talent and skill match his own, but who will be willing, for a few pieces at least, to put their vision second to his - and in these designer-as-celebrity days, such a craftsman is almost as rare as a vintage Vionnet. For Treacy, however, the solution is simple. "I just call Deborah and Antony," he says - Deborah Milner and Antony Price, that is.

Milner and Price are, Treacy says, the two couturiers in London he most admires (and, as the milliner for Chanel, Versace and Valentino, among other couture houses, his opinion carries some clout). "I work with Deborah and Antony because I know they are capable of doing anything that anyone in the world could do," he says. "Most made-to-order work done here is simply glorified tailoring, but their work, in its detail, cut, construction and imagination, has all the hallmarks of couture - it has content and style. Plus they are incredibly generous with their collaboration."

And not just with Treacy. Both Milner and Price have their own made-to-order businesses, and work with many clients. Though they are of different generations - Milner is in her early 30s, Price more than a decade older - and different aesthetics, for a customer who wants a truly special garment that fits perfectly, they are where you go. Which one depends on your taste.

"I would say my work

ranges from the avant-garde to the quite classic," says Milner in her Pimlico studio. The clothes hanging all around her, sharing the space with art books and photographs of pets, is a testament to her words. On one mannequin is the deep red velvet bathrobe coat - draped on one side, with an immense fur collar - that she designed for Treacy's last show. It was worn by Jodie Kidd, much photographed on both sides of the Atlantic, chosen by stylist Isabella Blow as her Coat of the Year, and ordered by Princess Froyal of Jordan.

Nearby is a rack holding outfits Milner made for a show at the new museum in Wolfsburg, Germany. These include one extraordinary piece composed entirely of vertical strips of plastic boning used in contemporary corsetry, and a lovely white shift seemingly woven from the finest lace but in reality made of plastic bags.

The clothes blur the line between sculpture and fashion, which for Milner (and many of her clients) is exactly the point.

Let a visitor think that Milner's creations are only for the outre, however, note also the simple pair of black trousers on display. According to one Vogue editor: "Every person on staff has some: they fit perfectly." Plain, straight-legged, they are as classic and functional as garments get, and rumour has it that before moving to New York, a fashion editor had Milner make her several pairs - just in case.

A graduate of the Royal College of Art, Milner originally made her name in wedding dresses. Treacy, a fellow student, sent her her first client. Branching out into evening wear, she soon came to the attention of Saks Fifth Avenue.

She had two small ready-to-wear shows but, in 1994, fell victim to the British fashion catch-22 - the more successful you are as a designer, the larger your orders, the more debt you incur in fulfilling them until, finally, you are forced into bankruptcy.

To dig herself out of debt, Milner turned to couture. Now her clients range in age from early 20s to 70s, and in demography from careerists to dedicated couture buyers. "One Swiss woman just orders fur collars," she says.

Gradually day and evening wear have come to replace wedding dresses as the staples of her business; this season a single-breasted, sharp-shouldered wool suit and long, draped, almost Grecian



Draped chiffon evening dress and cloak, made to order

gowns have been particularly popular. Her work costs on average between £2,000 and £5,000, and takes about four months to make.

The process is simple. A client will phone to make an appointment; on the first visit Milner shows her press book, photographs of work for other clients, and the few samples she has (her busi-

ness is small so she doesn't have much to be tried on). The client describes what she is looking for and they discuss fabric.

Later, Milner makes a series of sketches from which a design is chosen, a toile is made, and after three to five fittings, the product is delivered.

"In general, people come

Antony Price in his studio and two of his designs. Right: a velvet evening dress with beaded and devoré chiffon silk insert. About £25,000. Far right: his prediction of the look for the coming summer - a long skirt, elegant buttoned jacket in a wool and linen mix. About £2,500



Deborah Milner



A black wool sporadic jacket with sculpted satin collar, from £2,000

to see me because they can't find a piece of clothing that fits - either their size or their style," says Milner. The thrill of finding both - and of knowing that no one else will have found either - is, of course, a large part of the thrill of couture.

He is best known for the sort of traffic-stopping dresses that get someone through a gruelling public occasion such as a premiere.

a televised event, or gala. The dresses include the famous "nude dress" he made for Paula Yates, the pleated, almost Elizabethan, organza wrap featured in the last Treacy show, and the formal suit made recently for regular client Jerry Hall, when she was seven months pregnant.

Black lace over layers of black chiffon and powder blue silk, the jacket "burst open" in front over Hall's blooming stomach, and flattered into the back in the form of two butterfly tails. For the less flamboyant, however, there are lovely, high-waisted velvet gowns in jewel-tones, and Edwardian-styled frock coats.

"You can flog round the shops for days on end looking for the dress or suit you want," says Price, "and there is always something that will be missing from what you find, even before you deal with the fitting problems. Do you want to have millions of eyes on you then? No way. You want all your figure problems solved, and you damn well want to be sure no one else is wearing your dress. I'm kind of a compromise between Alexander MacQueen and Anouska Hempel."

Today, about half of Price's business involves dresses for black-tie events and weddings; one-quarter is composed of dressy day and evening suits; one-quarter is menswear. Price is, after all, the designer who first became famous in the 1970s for kitting out Roxy Music, Peter Gabriel and David Bowie.

At that time, he was running his own mini ready-to-wear empire, and his clothes so defined the decade that the soon-to-be-released film *Velvet Goldmine*, an ode to the 1970s starring Ewan McGregor, features old Price designs almost exclusively.

By 1983, the Price brand of glamour was so popular that the designer was able to charge entry fees for his runway shows but, as with Milner a decade later, he didn't have a regular backer, and the business fell victim to

debts. In 1991, Price folded his wholesale business and went the way of couture; among its benefits, he says, is the fact that it is "self-financing".

Price's system, much like Milner's, begins with an appointment, a look at samples and an analysis of what the client wants from neckline to sleeves to waist. Later, sketches will be made, a toile created (unless the design is standard), and between one and eight fittings arranged. Orders take on average six weeks, and cost between £1,500 and £3,000.

The irony of both Price's and Milner's success as couturiers is that, as their popularity grows and they become open secrets even outside the fashion world, they are being lured back into the ready-to-wear industry that first drove them to custom-made designs.

Price is talking to several possible backers and there are a few design contracts in the wind. He plans a small collection for the autumn, which "will be quite romantic and decorative. I think ornamentation is coming back, the whole *Wings of the Dove* thing; even my palette is primarily smoky, soft hues such as dove grey, mauve, dusky pink."

Milner intends to hold a capsule ready-to-wear show during this month's Fashion Week. "I'm translating the art pieces into traditional fabrics like wool boucle; the colour palette is bright, tropical shades, and the silhouette is looser, more voluminous," she says.

Indeed, soon the names "Deborah" and "Antony" may become as familiar outside the fashion world as inside it, both for the *prêt-à-porter* and couture customer.

If so, the only person with the (relatively) short end of the stick will be Philip Treacy. "This season each is only doing a few things for my show," he says.

FORTHCOMING MARRIAGE

Humphrey Carey
is engaged to
Alexandra Spicer

هكيتامين النخيل

How to Spend It

Putting your back into quality

Which? is no wizard when it comes to picking shirts, says Lucia van der Post

Who could fall for a man whose shirts are the result of buying the most prosaically practical at the cheapest possible price?

Which? (the independent consumer guide) has reduced the matter of a man's shirt to such mundane questions as "how they stand up to washing and how easy they are to iron". The researchers did all manner of useful things - ranging from checking the seams, stitching and fabrics and measuring the collar to rubbing the cuffs and collar with abrasive materials.

After all that, they gave them points, added them up and found that Jonele and Debenhams (£30 and £11, respectively) scored the highest points with B&S (£11) and Hems (£9) coming just one point behind.

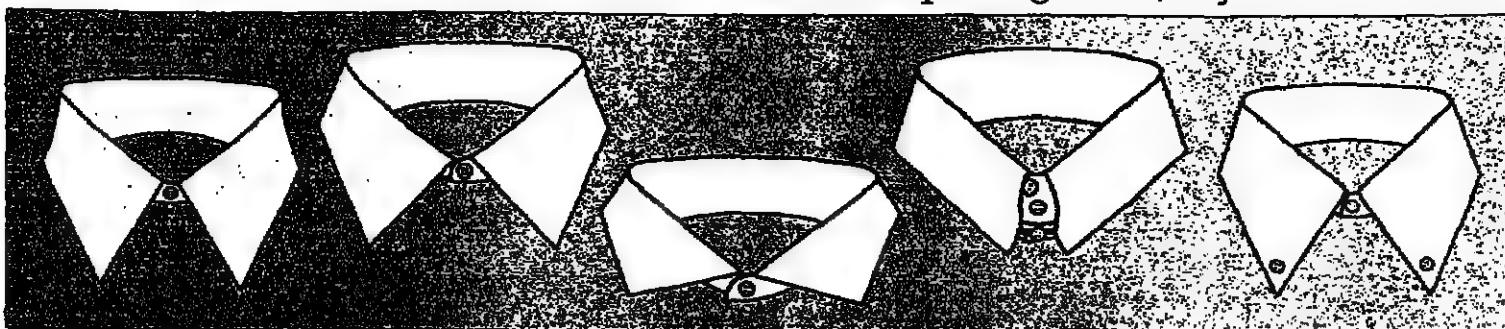
These, though, are not the sort of shirts to make a woman cry. Remember Daisy in *The Great Gatsby* who cries because she had "never seen such beautiful shirts before"? There were "shirts of sheer linen and thick silk and fine flannel... with stripes and scrolls and plaids in coral and apple-green and lavender and faint orange, with monograms of Indian blue".

And where did these beautiful shirts come from? It's a pretty good bet they were from Jermyn Street.

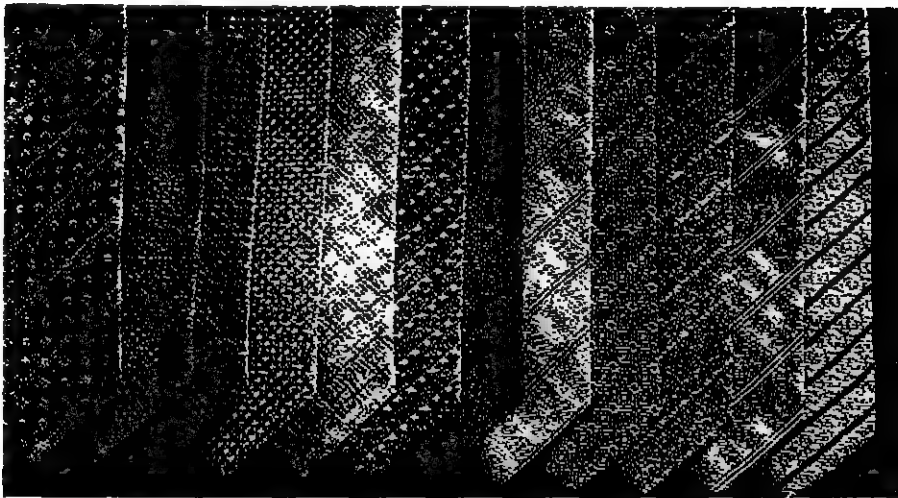
High street stores may do it cheaper, the shirts may endure endless washing cycles, they may be easier to iron but what they lack is magic, the ability to touch the Daisys of this world.

There is still a magic about Jermyn Street shirts. Just as a woman may not realise why others are prepared to spend thousands on, say, a subtle cashmere Jil Sander coat until they slip it on - so those who haven't worn a Jermyn Street shirt may not see the point until they own one.

As John Morgan, associate editor of GQ, puts it: "A man who has to wear a business suit uses shirts and ties to express himself. A really good hand-made shirt, made from finest cotton, develops a distinguished softness over time. Once a man has experienced the fit and shape and feel of a fine quality shirt, he



A range of collar shapes available on bespoke shirts from the Paris house of Lanvin



The Beaufort Tie - in finest silk, woven in Hammersmith on traditional looms

often wouldn't dream of wearing anything cheaper.

"Just the feel of fine Sea Island cotton or a cotton batiste in summer is quite different from the cheaper cottons."

So what is the hallmark of the Jermyn Street shirt - which, as you will have gathered, is more a benchmark of quality than a geographical location? First, they should be made of the finest cotton. (The Which? researchers tested nine polycotton shirts, 11 pure cotton and four cotton-rich; of the two that came top only one, the Jonele, was made from 100 per cent cotton.) Look for either two-fold cotton poplin - where two yarns are twisted together - or Sea Island cotton.

Mass-produced shirts, even when made from good quality cotton, usually come in just a few of the most popular styles and the cloth is usually bought in large quantities so there is little exclusivity about it. Fine shirt-makers offer a much greater choice of patterns. In top-quality shirts, fabric is cut by hand - the bodies

with shears, the collars with a knife. Stitching is important - the stitches should be fine but not so fine as to cause puckering. Single-needle stitching is stronger and finer than (faster and cheaper) double-stitching.

Buttons should be real mother-of-pearl and the back of the shirt should be 3cm longer than the front - so it will not ride up. Triangular gussets at the bottom of each side seam give extra strength and comfort. In cheaper shirts, there is often a skimping of material which shows in the overall effect.

Shirts that have pleats where they join the cuff have a generous look and speak of attention to detail and quality. Above all, they should never be tight-fitting - comfort is as important as looks.

In a striped or checked fabric, always examine how the stripes and checks are matched up - in a fine shirt you should barely be able to tell where the placket is. The yoke should be split at the

back and cut on the bias for better shape and the stripes and checks on the yoke should match precisely in the middle.

The heart of the shirt is the collar and this, to those versed in the finer nuances of the craft, is where class really shows. In top quality shirts, there is a soignée, flattening quality to the cut of a collar which is as important to a man as a neckline is to a woman.

The collar should be made of two pieces with removable bones and the hand underneath it should be neat and about 1 1/4ins wide to enable the collar to stand up and look important.

Collar styles and shapes vary and to give some idea of the range of pukka collar shapes on offer, sketched above are some of those offered by the house of Lanvin in Paris to bespoke customers. They are obliged to order in batches (just as Karl Lagerfeld orders his in bulk from Hilditch & Key). They cost from £55-£2,000 a time and take about three weeks to make.

In the end, which make



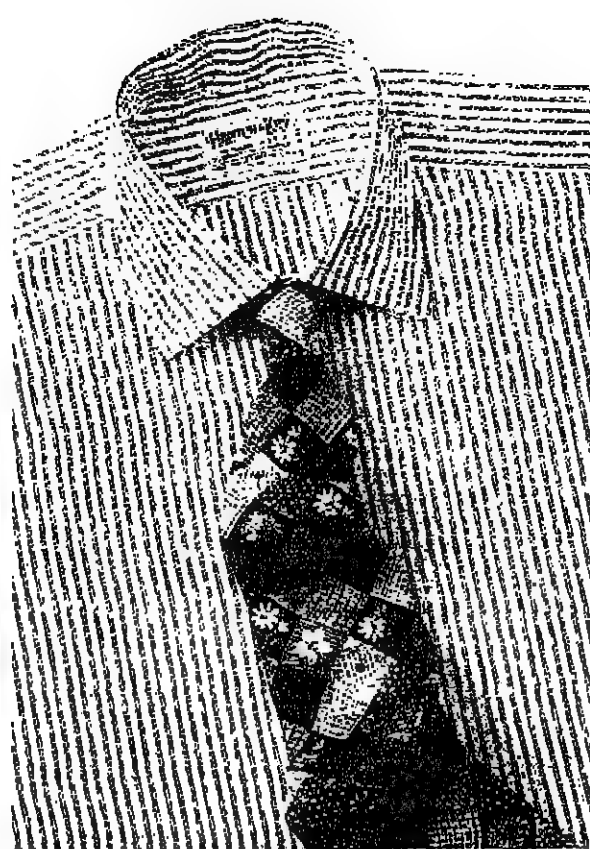
The Thomas Pink shirt, a favourite compromise at £122.50

you prefer is a very personal choice. There is no substitute for a good comparative browsing session among the top shirt-makers but three names recur whenever the talk turns to fine shirts: Hilditch & Key, 37 & 73 Jermyn Street; Turnbull & Asser, 71-72 Jermyn Street; and Budd, 1A and 3 Piccadilly Arcade; all London SW1. Prices range from £55 for ready-made to more than £100 for custom-made.

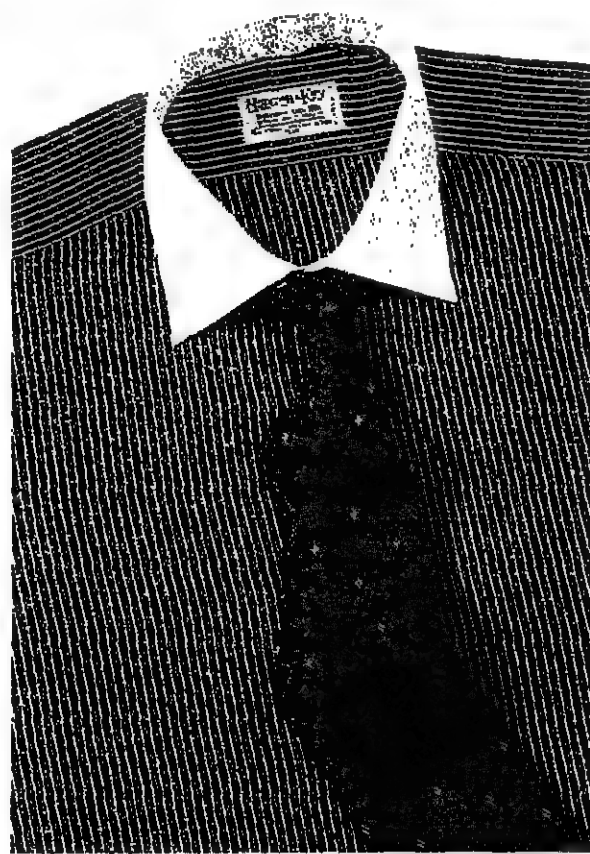
Most business shirts require a tie - you'd need to be a brave or a mightily successful businessman to turn up in a boardroom without one. I recommend two newish names, Connolly, of 32 Grosvenor Crescent Mews, London SW1, does some of the most subtle and interesting knitted silk ties (£55 a

time) as well as a hand-stitched seven-fold one (instead of a different lining it is folded in upon itself - £85). Then look out for a new British company called Beaufort Weaving, which has gone back to traditional weaving methods and weaves interesting ties with all sorts of two- and three-dimensional effects.

Its speciality is to use coloured warps whereas most tie manufacturers use only black warps and throw a coloured yarn across it. Apart from devising special ranges for designers such as Caroline Charles, Mulberry and Nicole Farhi, its own label - The Beaufort Tie - sells for £59.95 in Harrods as well as in a few independents including Fenwick's of New Bond Street, London W1.



Two-fold cotton poplin shirt from Hilditch & Key, £75; tie, £39.95



Two-fold cotton poplin shirt, £59.95, Hilditch & Key; tie, £39.95

Buyers beware the shahtoosh

These exquisite shawls involve the killing of an endangered species

If by now you don't actually own a pashmina, then clearly you either have no need to feel you're in the swim or you believe that paying upwards of £300 to wrap a piece of plain wool around your neck is more than daft. And if you don't know what a pashmina is, then you really haven't been paying attention.

The pashmina, as I have been alerting readers from time to time over the past three or so years, is infinitely classier and more sophisticated than its logo-bearing patterned silk counterparts.

Made of the softest wool from the Himalayan goat, the capra hircus, its very anonymity, the fact that it looks best when absolutely plain, is what gives it its subtle cachet. Only those in the know, know - if you see what I mean.

But did you know about the shahtoosh? The shahtoosh is much beloved of very rich women around the world. The French, in particular, love its combination of sumptuous luxury and near anonymity. You see these absolutely plain woollen scarves swaddling their throats and they know that you know it has cost them more than most people's mortgage repayments.

Banned and illegal, they (and we) ought not to be able to buy them, but somehow they do surface - perhaps the purchasers don't know the whole story.

Those who know about such things can tell a shahtoosh just by looking at it - it drapes quite differently, much more softly, more floppily than the pashmina. It also feels different, like the softest of down.

Those who are tempted to

buy - and have the £2,000 plus that the shahtoosh costs on the black market - should know some of the facts first.

You can read the results of the painstaking investigation by the Wildlife Protection Society of India in its report "Fashioned for Extinction: An Exposé of the Shahtoosh Trade".

The wool has long been coveted. It is the finest, softest, natural wool on this planet and the people of the Kashmir valley have evolved traditional ways of weaving it into exquisite shawls.

The Chinese explorer Hsuan Tsan discovered them in the mid-600s, while exploring Central Asia and India, but they seem not to have arrived in Europe until the 1770s. Napoleon, keen no doubt to present his beloved with the very latest in fashionable accessories, bought some for Josephine.

For a long time, most people believed the shahtoosh was woven from wool shed seasonally from a wild goat, the Himalayan ibex. Wisps of the wool were thought to be collected from bushes during the moult.

Only in the 1980s was it discovered that the fibres come from a quite different

animal, an endangered species - the Tibetan antelope or *Pantholops hodgsoni*.

To collect the wool, the antelope has to be killed. In these desolate landscapes there are no bushes on which the wool could collect and the fibres come from the under-fur, which cannot be sheared.

Although the animals, as

It feels different, like the softest of down. Once felt, never forgotten

endangered species, are protected under the UN's CITES convention, it is almost impossible to enforce: the antelopes roam over vast areas and there are few guards available to patrol them.

In spite of the ban, shahtoosh shawls can be bought - if you are on the fashionable network - in almost every capital city in the world.

Now the shahtoosh has become such a sought-after luxury - one can cost as

much as £11,000 - well-armed poachers hunt the antelopes. It takes the lives of three Tibetan antelopes to make one shahtoosh shawl and, according to the WPSI report, the wool is often bartered at remote border passes for illegal tiger products.

So next time you are tempted, think about a proper pashmina (unmixed with silk) instead. Not quite as soft or as fine, but so nearly that not everyone can tell the difference. It costs half as much and the wool comes from unendangered animals which are bred domestically and whose wool is shed annually without doing them any harm.

The pure pashmina, as I wrote before Christmas, is not always easy to track down. Two sources are Madeleine Trehearne, New End Square, Hampstead, London NW3, tel: 0171-435 6310; and Lyn Holman, tel: 0171-622 9710.

Anyone interested in reading the shahtoosh report should write to the Wildlife Protection Society of India, Thapar House, 124 Janpath, New Delhi 110 001, India. Fax: 0091 11 388729.

L.v.d.P



Warm, fetching - and legal - the pure pashmina.

Simon Cowley

Experience Bio-Energy

Revitalising Therapy as explained on TV and in National Newspapers. Can cure stress, arthritis, asthma, spinal injuries etc.

Strictly by appointment. Details for London Clinic. Call 0191 232 7342

DIAMONDS

WANTED FOR CASH
FINE 1ct to 5ct WHITE

Loose or Set, Shaped and Fancy colours

We Specialise in Certified stones.

FREE APPRAISAL & IMMEDIATE PAYMENT

AUSTIN KAYE
425 STRAND
LONDON WC2

Consult our experts, call Ian Kaye on
Tel: 0171 240 2343

Visit personally or send registered post

FOOD AND DRINK

Nicholas Faith enjoys a book for serious claret lovers, while Jancis Robinson casts a critical eye over a particular vintage

It may seem odd to FT readers, but many wine buyers are ignorant and need reassurance as to the quality of the mysterious liquid they are thinking of buying.

Never has there been a more successful attempt to reassure drinkers than the classification of the wines of the Gironde, prepared by that Department's chamber of commerce for the Paris Universal Exhibition of 1855.

Indeed, the inspiration for Dewey Markham's excellent new book - which, unlike most of the literature on Bordeaux, is based on primary sources and not on secondary accounts - came when he worked for a leading New York merchant. He found he was constantly exploiting the "classiness" both literal and figurative, of many of the more expensive wines he was offering.

The continuing success of the classification is the more astonishing because it was merely a snapshot of the rankings of the wines at a particular moment. In the previous 150 years, since Lafite, Haut Brion, Margaux and Latour, the four great growths, first emerged as individual brands, the classification had been in continual flux. By 1855 it included up to six classes. Moreover, a truly ambitious grower - Louis Gaspard d'Estournel, creator of Cos d'Estournel, is the most obvious example - could aspire, if not to the Field Marshal's baton represented by membership of the first division (which remained static until Mouton Rothschild was admitted in 1973), at least to promotion through the ranks to the dizzy heights of second growth status.

Both before and since 1855, the estates involved could, and did, change their shape and size, sometimes with bewildering rapidity, and included much more plebeian vineyards (the extreme case being Beycheville, which until the mid-1980s included several acres of vines in a relatively lowly appellation miles away from the heart of the estate).

So, although any serious estate, including Beycheville, had a core vineyard which provided the name with its unique style, the growths were brands as well as representatives of the idea of *terroir*, the unique combination of soil, sub-soil and climate so beloved of French vinous philosophers.

Today the market is sophisticated enough not to rely exclusively on the judgment of the brokers of 1855. Owners of classed growths who rely purely on their rank are duly punished.

As a result, a mere *crus bourgeois* sell for prices higher than some of the lesser classed growths - partly because the north of the Médoc was relatively underdeveloped in 1855 - and prices within each category can vary widely. The most extreme case of variance that I have come across came with the 1990 vintage, when the wines from Lynch-Moussas and Lynch-Bages, two halves of what had once been the same vineyard, sold for FF42 and FF118 respectively.

Nevertheless, the *classement* remains broadly reliable - not surprisingly, given that the 1855 judgment was based on 200 years of experience since the first guide was drawn up in 1847 (one of the joys of Markham's book, for serious wine botes at least, lies in the 150-page appendix giving the many other classifications made in the past 250 years).

Most enjoyment comes from Markham's detailed account of the convoluted, accidental and at times hilarious series of events that led to the establishment of the classification.

It sprang from the natural



Vintages dating back to 1848 are to be found in the cellars of Chateau Margaux.

The holy terroir of the year 1855

desire of Napoleon Jerome, the exhibition's president and eccentric, wilful cousin of Emperor Napoleon III, to show off all France's glories, agricultural as well as industrial, as a reply to the 1851 exhibition in London.

Hence the request to committees in all France's 86 departments to give of their best. But it took some time to include wine and, even then, the Bordelais had to be spurred into action by a natural desire not to lose out to the Burgundians, who had already seized on the chance to display their wares.

Once it had grasped the opportunity, the Bordeaux trade used the exhibition to reimpose control over even the haughtiest of chateau owners. This was the more important because of the general desire for order in all aspects of society at a time when memories of the 1848 revolution were still fresh in everyone's minds. The brokers and merchants needed the chance because the market had rather gone to pieces in the previous few years. There had been an epidemic of powdery mildew, better known as *oidium* - which greatly

reduced yields until it was controlled through the use of sulphur - the fall from grace of Haut Brion through lack of funds, and the pretensions of some estates (notably Lafite, historically the "Premier des Premiers") to go it alone.

Indeed, one of the most entertaining sections of the book is devoted to the chamber's struggles with the deliciously named Monplaisir Goudal, the hereditary Steward of Lafite (it is perfectly appropriate to talk in feudal terms when dealing with such properties). The chamber wanted to ensure that Lafite was part of the general display and did not show its wares separately. It had already lost one battle with estate owners, who had insisted that their names be given on the bottles.

In the end, the wines themselves were tasted in only the most cursory fashion before being displayed in an annex devoted almost exclusively to the new science of preserving food, and in which late cancellations enabled Lafite to have its own display after all.

There was a delicious coda

after the exhibition closed. Madame de Villeneuve-Durfort, one of the formidable women who, happily for the Gironde, still play such a prominent role in the wine business, successfully managed to insert the name of her estate, Cantemerle, in the classification as an afterthought, on the grounds that it had been sold exclusively to the Dutch market until 1854 and had therefore, and unjustly, been excluded. It took some time to set what had been perceived as merely one classification in tablets of stone.

In the first years after 1855 some authorities assumed that the relatively fluid situation would continue with estates still rising through the ranks. Even in 1889, when a court in Bordeaux decided against the pretensions of M. Roux, the owner of Liveran, to be included, the judge declared that the classification "always leaves open the hope for all proprietors of a new and higher standing for their wines".

But, as the French so rightly put it, "rien ne dure que le provisoire" and sheer inertia prevailed, helped by the refusal of the Bordelais to go through the same

exercise for later exhibitions and, probably the most important factor, the adoption of the classification by M. Feret, publisher of the semi-official guide to the wines of the Gironde. Since 1945, the Bordelais have made a couple of attempts to provide guides for other wines within their immense vineyard, more than 260,000 acres of vines, that is, more than all of Australia.

The Graves were classified - rather casually - in 1951 and Saint Emilion has been through the exercise twice since the first attempt in 1855, to the accompaniment of much weeping, wailing and gnashing of teeth.

The knowledgeable reader may have noticed one omission: that of the classification, also carried out in 1855, of the great sweet white wines of the Gironde, a list headed by Yquem, the only estate in the vineyard to which a mere outsider ventures at his peril.

■ 1855 - A History of the Bordeaux Classification by Dewey Markham Jr, John Wiley & Sons, 245.

N.F.

The '93s - useful but oh so dull

Halfway through the most recent Masters of Wine claret tasting - 1993s this time - I bumped into a wine merchant I knew. "Gosh these are dreary, aren't they?" I sighed.

"Dreary?" He looked horrified. "On the contrary, 1993 is a very useful vintage."

So, there you have it. The 1993 red Bordeaux, classed growths selling at upwards of £20 a bottle, may not be much fun to drink, but it does provide a worthwhile service to wine merchants, filling as it does, like the even drearier 1992s and 1991s, that awkwardly long trough between the exciting peaks of 1990 and 1989.

The more traders I discuss the 1993s with, the more I realise they have managed to convince themselves they are good simply because they are not as bad as they might have been, considering the distinctly unimpressive climatic conditions responsible for them.

Time and again, professionals' perceptions of a vintage are governed by the commercial environment rather than intrinsic quality. Amateurs need be saddled with no such inconvenience. Today we can bypass the bread and butter and go straight on to cake.

In the old days, wine lovers were more or less forced to drink Bordeaux's less successful vintages; there was so little else available. But nowadays, happily, we can ignore those less successful years when France's Atlantic coast is not blessed with full ripeness and choose instead some truly magnificent Cabernets and Merlots, or even some completely different grape varieties, ripened and vinified to perfection somewhere else (see box below).

The problem with most 1993 reds from Bordeaux is that they are the product of the wettest September in living memory, and they taste like it. Pale, dilute, heartless and in many cases with a mean streak of acid, they are the result of less-than-ripe grapes.

What was fascinating tasting them en masse was to see how

Bordeaux winemaking philosophy has changed since the complacent 1980s. If nature fails, Bordeaux man now intervenes - with varying degrees of success.

There were many examples of desperate over-extraction, an attempt to leech colour (and, often, raw tannins) into the wine. There were others of heavy-handed chaptalisation - adding sugar before fermentation to beef up the alcohol content.

Some wines from better-heeled estates had obviously been concentrated - a new technique which can work but can have the effect of concentrating the bad along with the good. Perhaps the most successful (and costly) remedy is selection - or rather rejection of the less successful lots, up to half the entire crop if necessary.

Just occasionally, there were wines that showed their makers were determined to outwit nature at all costs. One of the most obvious of these was Hubert de Bodard whose Chateau de St-Emilion somehow managed to smell almost ripe, albeit in an oaky, rather obvious way - not unlike Rautan-Ségla, the flashiest Margaux.

None of the scariest Pomarols was on show - why donate bottles when you can sell every one twice over? - but Ch. Trotanoy was probably the most impressive wine of the entire tasting, presumably leaning heavily on low yields of the Merlot grapes which ripened so much more easily in this cool, wet year than the Cabernets.

In the Graves, Ch. La Mission Haut-Brion and Pape-Clément stood out. "Mercifully not mucked about with... not a jewel but good... very good for the appellation," my notes said.

If someone forced me to drink a 1993 Médoc, I would choose one of the Pichons or possibly Mouton (labelled with the life drawing of "une adolescente au regard obscur" that so shocked me in 1989), and I would choose to drink it soon.

But I would rather not.

J.R.

Instead of a 1993 claret

Bordeaux's red wine is made from a mixture of Cabernet Sauvignon, Merlot, Malbec, and Petit Verdot. The 1993 vintage was particularly difficult due to a wet September. The following are some alternative wines that might be of interest to those who find 1993 Bordeaux claret dull.

1. **Chateau Margaux 1989**: A classic Bordeaux blend, this wine is known for its elegance and balance. It is a great choice for those who prefer a more refined claret.

2. **Chateau Lafite Rothschild 1989**: Another classic Bordeaux blend, this wine is known for its complexity and depth. It is a great choice for those who enjoy a more structured claret.

3. **Chateau Latour 1989**: A Bordeaux blend, this wine is known for its power and intensity. It is a great choice for those who prefer a more robust claret.

4. **Chateau Mouton Rothschild 1989**: A Bordeaux blend, this wine is known for its elegance and balance. It is a great choice for those who prefer a more refined claret.

5. **Chateau Pichon Longueville 1989**: A Bordeaux blend, this wine is known for its complexity and depth. It is a great choice for those who enjoy a more structured claret.

6. **Chateau Trotanoy 1989**: A Bordeaux blend, this wine is known for its power and intensity. It is a great choice for those who prefer a more robust claret.

7. **Chateau de St-Emilion 1989**: A Bordeaux blend, this wine is known for its elegance and balance. It is a great choice for those who prefer a more refined claret.

8. **Chateau Pape-Clément 1989**: A Bordeaux blend, this wine is known for its complexity and depth. It is a great choice for those who enjoy a more structured claret.

9. **Chateau Haut-Brion 1989**: A Bordeaux blend, this wine is known for its power and intensity. It is a great choice for those who prefer a more robust claret.

10. **Chateau La Mission Haut-Brion 1989**: A Bordeaux blend, this wine is known for its elegance and balance. It is a great choice for those who prefer a more refined claret.

11. **Chateau Pichon Longueville 1989**: A Bordeaux blend, this wine is known for its complexity and depth. It is a great choice for those who enjoy a more structured claret.

12. **Chateau Trotanoy 1989**: A Bordeaux blend, this wine is known for its power and intensity. It is a great choice for those who prefer a more robust claret.

13. **Chateau de St-Emilion 1989**: A Bordeaux blend, this wine is known for its elegance and balance. It is a great choice for those who prefer a more refined claret.

14. **Chateau Pape-Clément 1989**: A Bordeaux blend, this wine is known for its complexity and depth. It is a great choice for those who enjoy a more structured claret.

15. **Chateau Haut-Brion 1989**: A Bordeaux blend, this wine is known for its power and intensity. It is a great choice for those who prefer a more robust claret.

16. **Chateau La Mission Haut-Brion 1989**: A Bordeaux blend, this wine is known for its elegance and balance. It is a great choice for those who prefer a more refined claret.

17. **Chateau Pichon Longueville 1989**: A Bordeaux blend, this wine is known for its complexity and depth. It is a great choice for those who enjoy a more structured claret.

18. **Chateau Trotanoy 1989**: A Bordeaux blend, this wine is known for its power and intensity. It is a great choice for those who prefer a more robust claret.

19. **Chateau de St-Emilion 1989**: A Bordeaux blend, this wine is known for its elegance and balance. It is a great choice for those who prefer a more refined claret.

20. **Chateau Pape-Clément 1989**: A Bordeaux blend, this wine is known for its complexity and depth. It is a great choice for those who enjoy a more structured claret.

If you are an habituée of Verbier, the Swiss ski resort, the name Roland Pierroz may ring some bells.

Born of mixed Italian and Swiss parentage, chef Pierroz is typical in at least one sense of his native canton of Valais: inhabitants of this beautiful, mountainous land at the upper reaches of the Rhône valley are usually described by their fellow Swiss as *cigariers* - which could be politely translated

as fond of going their own way. For the past 20 years this talented, tempestuous chef has been following his own distinctive route at the Hotel and Restaurant Rosalp in Verbier.

Voted *Cuisinier de l'Année* in 1992 by the Gault Millau guide (which gave him 19 out of a maximum 20 points), he rates a single star from Michelin. Following an exchange of views with them on an issue now lost in the mists of time, he reckons to be condemned to *éternelle punition*, permanent punishment, by the men of the red book - a state of affairs in which he takes an evident and perverse delight.

Food at the Rosalp's main restaurant is southern (echoes of his Italian mother), toweringly three-dimensional (shades of the mountains round about) and self-assured (a reflection of the man). The *gâteau d'herbes* consists of tiny ratatouille dice and a couple of succulent crayfish, braced by wafer-thin slices of barely cooked courgette and topped with a pair of flash-fried aubergine petals. A rosette of thinly sliced waxy potatoes is accompanied by frogs' legs and shavings of white truffle. Among the fish courses, the fillet of sole wound around a crab stuffing and sea urchin

sauce is a remarkable feat - not least in view of Verbier's geography. The wine list is enough to bring tears to a wine-lover's eyes - part pain at the prices - there is not much under SwFr70, and part wonder at the scope, more than 65,000 bottles. Pierroz chuckles at the notion of being described as an ambassador for the finest wines of canton Valais - diplomacy, he freely admits, has never been his strong suit. Their champion, however, he certainly is, for his knowledge of the wines of the area is encyclopaedic. Those inclined towards scepticism on the subject of Swiss wines might do well to

put themselves in the capable hands of the young French *sommelier*. We particularly relished a discreetly oaked, dry Ermitage (aka Marianne), from Philippe Frères, a grower in Vétraz which makes an elegant range of Valais specialties. A beautifully balanced blend of Cabernets (Savignan and Franc) Syrah and red Humagne from Michel Boven in Chamonix rose splendidly to the challenge of a honeyed and spiced pigeon breast. It barely flicked in the face of a well-aged Gruyère and a venerable Bagnas, selections from the restaurant's legendary cheese board.

Pierroz is one of the rare top-class chefs to favour a serious pudding *chariot* over last-minute assembly jobs in the kitchen. The selection process puts evident strain on diners, but a shortlist might usefully include an impressively rich chocolate cake growing with buttercream which comes with a velvety, cacao-rich sorbet poised over a pool of coffee sauce.

A small glass of late-harvest Johannisberg Sylvaner from Domaine du Mont d'Or in Sion is indicated at this stage. Downstairs is a cosy bar, perfectly placed to catch people coming in from a late

back to Pierroz's take-away truffled *poularde* in the comfort of your own chalet, with full waiter service.

■ Hotel and Restaurant Rosalp, CH-1936 Verbier, Tel: 0041 0 227 7771 63 23, fax 771 10 59.

■ Restaurant Roland Pierroz: menus at SuFr135 SuFr165 SuFr185. A la carte starters from SuFr40, main courses from SuFr52.

■ La Pinte du Rosalp: starters from SuFr11 main courses from SuFr32.

■ Restaurant Roland Pierroz: menus at SuFr135 SuFr165 SuFr185. A la carte starters from SuFr40, main courses from SuFr52.

■ La Pinte du Rosalp: starters from SuFr11 main courses from SuFr32.

■ Restaurant Roland Pierroz: menus at SuFr135 SuFr165 SuFr185. A la carte starters from SuFr40, main courses from SuFr52.

■ La Pinte du Rosalp: starters from SuFr11 main courses from SuFr32.

■ Restaurant Roland Pierroz: menus at SuFr135 SuFr165 SuFr185. A la carte starters from SuFr40, main courses from SuFr52.

■ La Pinte du Rosalp: starters from SuFr11 main courses from SuFr32.

■ Restaurant Roland Pierroz: menus at SuFr135 SuFr165 SuFr185. A la carte starters from SuFr40, main courses from SuFr52.

■ La Pinte du Rosalp: starters from SuFr11 main courses from SuFr32.

■ Restaurant Roland Pierroz: menus at SuFr135 SuFr165 SuFr185. A la carte starters from SuFr40, main courses from SuFr52.

■ La Pinte du Rosalp: starters from SuFr11 main courses from SuFr32.

■ Restaurant Roland Pierroz: menus at SuFr135 SuFr165 SuFr185. A la carte starters from SuFr40, main courses from SuFr52.

THE RARE WINE CELLAR

Full Mail Order
12-18 Bury Road
LONDON, N16 7JL
Telephone: 044 19181 764 229
Facsimile: 044 19181 764 377

CLARETS VINTAGE PORTS WANTED

We will pay instant cash for your surplus clarets and vintage ports. Please contact us immediately.

WILKINSON VINTNERS LTD
Fine Wine Merchants
Tel: 0171 272 1862
Fax: 0171 253 2843

■ Chef Hans Stucko, 68, who had only recently announced his retirement from his Basle restaurant after nearly 30 years, died last week of lung cancer. Tributes from fellow chefs all over the world acknowledged the talent of a great and generous man and the contribution he made to raising the standards and profile of fine food and wines in Switzerland.

■ Readers drew my attention to the cooking of The Tagore in Welling, Kent. Although neither the restaurant's exterior nor interior are exceptional - the food is. Restaurateur Nur Morie and chef Rajendra Balmiki, who settled in the UK after several years in Paris, produce authentic Indian

regional food. A large tray of moist chicken and lamb kebabs to start with; a wonderful black dal that would convert anyone to vegetarianism; and, best of all, *ratibou-chooze*, a spring chicken marinated in herbs, cheese and lemon, stuffed with dried fruits and onions and cooked in an earthen

oven. The Tagore, at 3 Welling High Street, Welling, Kent DA16 1TR, tel: 0181-304 0433, is a short commute from the City.

■ Nicholas' Land: The disposition of stars remains as inscrutable as ever. Certainly I have not noticed any culinary difference between the

three-star Waterside Inn, Bray and the two-star Le Gavroche, Mayfair. However, there is satisfaction for those at Homewood Park, Bath: The Horn of Plenty, Fawcett, Devon, and The River Café, London W6. All have now won their first star - and all took part in our Lunch for Five promotion. Michelin's new guide to British costs £12.99.

BORDEAUX INDEX Ltd

The only fine wine traders worth ringing

Tel: +44 (0) 171 230 1982
Fax: +44 (0) 171 608 1707

Pinca La Anita

Quality wines from Argentina. Exclusively from Pampas Wines. Tel: 01707 293015 Fax: 01707 364833

مكتبة الأكل

PROPERTY

Buying a house – there has to be a better way

Anne Spackman warns of a culture shock for buyers, sellers and professionals

A letter to the minister for local government who heads a task force on the house-buying system in England and Wales.

Dear Hilary Armstrong
I am a property writer, my colleague Gerald Cadogan and I are familiar with the idiosyncracies of the English house purchase system and the wrath it arouses in our readers.

On that basis, we offer this unsolicited memo to your working party, suggesting ways in which the system might be changed.

Your pilot study has already discovered that we have one of the slowest systems in the world. From the time an offer is made on a house in England or Wales it takes an average of between 10 and 12 weeks to complete the transaction. This compares with a norm of four to six weeks in most countries, including the US, Canada, the Netherlands and Hong Kong.

The virtue of our system, however, is that it is cheap. Buyers pay about 3.5 per cent in costs and tax on a £120,000 house compared with at least 6.5 per cent in

most other countries. We would argue that the price need not rise in line with efficiency; indeed, with the introduction of on-line information, it could fall.

The key anomaly, identified by all previous groups studying this issue, is that when a sale is agreed in England and Wales, it counts for nothing. Either side can pull out or change the deal at

In any case, the majority of surveys carry a dense series of disclaimers

any point up till the exchange of contracts.

In a falling market, buyers are normally the villains, reducing their offer at the last minute; in a rising market, sellers are more often to blame, accepting a higher offer after a price has been agreed. However, this issue of "gazumping", we feel, is vastly exaggerated, occurring in only a fraction of cases.

We support your steering group's suggestion that the procedures which currently take place after an offer has been made should be done before a house is put on the market and that they should be the responsibility of the seller, rather than the buyer, as at present.

The seller should have the property deeds, a completed local authority search, the answer to pre-contract inquiries and a Land Registry certificate available the day the house goes up for sale.

The process of obtaining this material would be speeded up enormously – and made much cheaper – if the appropriate material were available on-line. The Land Registry is currently considering including the price paid for a property in its register. If this were to happen, it might reduce the number of cases in which lenders have to conduct a valuation survey – which would further reduce costs.

In the case of solicitor's inquiries – which are not done by a solicitor, but by a clerk – pre-market information might greatly improve the system. As a survey published last month by the Council of Mortgage Lenders discovered, more than half those

interviewed blamed the legal work for slowing down their house purchase. That certainly accords with our mailbox.

In most cases, it should be possible for the legal work to be done by a conveyancer in an estate agent's office. The agents Hambro Countrywide are about to open their fourth conveyancing centre, offering just such a service.

We also favour surveys being carried out early in the process by the seller. The argument put forward by the Royal Institution of Chartered Surveyors that buyers might not trust a survey carried out by a vendor does not seem to us to hold water. Surveys do not address the seller's position, but are supposed to be an accurate description of the state of the property from an objective point of view.

In any case, the majority of surveys carry a dense series of disclaimers, stressing that the surveyor cannot be liable for anything which might go wrong in the future.

To eliminate uncertainty – and time-wasters – buyers and sellers should be bound by conditional contracts, coupled with a small deposit, as they are in most other



countries. The issuing of mortgage certificates to buyers, stating that they can raise a certain sum, would be a bonus for sellers considering an offer.

Again, the RICS questions whether buyers and sellers will really want to have their hands tied. If it means a halving of the transaction time, plus the promise of monetary compensation should the other side pull out, we believe they will accept the culture shift.

It may be that the professions themselves find the culture shift too much to bear. If so, the fol-

lowing scenario might help concentrate minds.

It features a buyer sitting at home, calling up property details on screen and e-mailing any home-owner whose property they wish to view. If they are still interested, they e-mail for the seller's information pack (survey, searches, etc), which the seller has already compiled on-line.

They then e-mail their lender with a mortgage request (they will already have established roughly how much they can borrow) and make an offer, again by computer. Not much of a com-

mission for the professionals.

No doubt there will be some difficult issues over the question of how to deal with housing chains and which conditions should apply to the contracts. But with determination, and the insight offered by other countries' successful systems, these should not be insurmountable.

Finally, since this issue has such a high profile, we hope this study will not join its predecessors on a civil servant's shelf, but lead to real change.

Yours in anticipation,
Anne Spackman

Gardening

Climbers and clingers

Robin Lane Fox suggests shrubs and other candidates for filling your wall space

My veteran Valentines are maturing gracefully – up the four walls of my house. I love climbing plants and have been fascinated by them ever since I first saw clematis and roses in the wild and realised that like most climbers they do not want to climb vertically but prefer to spread and sprawl. It is we who train them upwards against flat surfaces. The whole exercise is slightly artificial and it seems to divide into two.

On one side are the reluctant climbers which ought to be pruned, trained and reshaped every year. The best Valentine you could give them would be an intelligent pruning if they are roses, or a severe cutting back if they are one of the clematises, which flower after July 1.

I am not too good with this class of climber. In some years, I have time to prune them properly, but during others they are left free to wave in all directions. It is years since I tackled the climbing Rose Madame Alfred Carrière which has reached the gutters on the house wall facing east. It needs attention but never receives it and still covers itself in flowers. I feel better about it

since I compared notes with an older lady gardener. Her gardener had told her that her plant, too, needed cutting, but she had asked her psychoanalyst and he had told her that it would be better left alone and as he was usually right about most things, she had followed his advice. It had responded by flowering excellently ever since.

The other branch of the climbing class are not even sprawlers in nature. Some are clingers and some simply shrubs that we grow and contain against a vertical surface. I like this side of the family in particular. The clingers need no attention and the wall shrubs need nothing more than a light clipping, usually in the weeks after flowering. Those of you with psychoanalysts have no need to ask advice.

On a semi-shaded wall, I strongly recommend the ever-

green Viburnum Burkwoodii which has beautifully scented flowers in late spring. It responds to fairly brutal clipping after flowering, but if you leave it alone, it will still grow upwards and make nothing worse than a tidy mound in front of the wall. Most of us picture it in open ground, but it is great with a wall behind it.

The same can be said of a neglected August shrub, Abelia chinensis. It, too, is evergreen in a half-hearted way, but its distinction is its combination of pinkish-white flower heads and sweet scent in August when walls tend to look out of season. On my sunny wall, it is completely hardy and am surprised how seldom gardeners try it.

I have it beside another discrete, late-flowering Valentine, the upright Buddleia lindleyana whose lavender flowers deepen

to purple. It is an excellent friend on the wall because it has none of the coarse habit of its relations and is not too leafy. In the Oxford Botanic Garden I first observed what a useful

The best Valentine you could give would be an intelligent pruning

May-flowering shrub the white-flowered Persian lilac can be. Syringa persica alba is usually considered as a shrub in the round, but it is excellent up a wall, albeit slightly untidy. It is so good that the Botanic Garden

in due course removed it, but not before I had observed its value.

Ceanothus is everybody's first thought as a shrub in this class. The plants have had a wonderful winter and Londoners and owners of other warm gardens should be tempted by the less hardy, bright blue forms like Italian Skies, which are looking unmarked in better garden centres. I like the vivid blue Concha, which is slightly tougher, and the taller Edinburgh which deserves its Award of Garden Merit.

In 1982, after an awful winter, I was thinking that the Ceanothus had become an unwise bet in much of Britain. Since then, most of the varieties have had golden winters and we would be mad to neglect them.

Among evergreen, variegated wall shrubs, the cream-white variegated Rhamnus alaternus

variegata is unbeatable. It is oddly overlooked by all those gardeners who want a cheerful, evergreen protection on a wall or fencing panel up to eight feet or so.

This Rhamnus grows rapidly, even with me, and can be clipped back to hug its background by strategic pruning any time between May and August. It is a far better bet in colder gardens than the variegated Myrtle, which is much more popular. I have used it as a continuous screen to hide neighbours or as a specimen, clipped back against a grey stone wall. If your garden is not too cold or windy, it will grow brilliantly facing north or east if it has light. It is one of the good things in gardening that still goes unrecognised.

Gardeners who are lazy or busy elsewhere may well prefer to concentrate on a climber.

Almost nothing could be easier than a Rhamnus, except it needs a yearly cutting at your convenience if you want it to stay flat.

The only easier choices are things that hold firm to a wall and need no attention whatsoever. Here, there is plenty of life beyond varieties of ivy. My particular Valentines are the truly evergreen climbing hydrangea seemannii and the flashier Trachelospermum jasminoides with cream variegated leaves. The latter is definitely a plant for a sheltered wall, facing south west, where it will eventually produce its heads of sweet-scented white flowers.

Both are high-class clingers which respond to patience and almost complete neglect. In their early years they make slow progress, but the reason why I vote them my concluding Valentine is that after seven years of tolerance, they become a definite presence at a height of 8ft or more, clinging to stonework, whereas supposedly climbing roses hardly clothe it. They need no clipping, no tying and no attention. Give them time and they will change the surface of a warm house wall throughout the year.

America's lawns turn into prairies

Noel Kingsbury reports on mass plantings and sweeping vistas

He received wisdom that what happens in the US happens in the UK five years later has never applied to garden design. I have always found Americans to be curiously diffident about their horticultural ventures. But a revolution is under way, and British gardeners may well feel its impact. The American lawn – notoriously chemical-soaked and fanatically mown – is giving way to an exciting style, one truly American in spirit.

The instigators are James van Sweden and Wolfgang Oehme, the former an architect much influenced by the Brazilian landscape designer Roberto Burle Marx, the latter a horticulturalist who trained in his native Germany in the 1950s in an atmosphere dominated by the style of Karl Foerster, where perennials and ornamental grasses ruled.

Van Sweden seems somehow quintessentially American, eyes set on big projects and broad horizons. Although Oehme is rather intense, his self-deprecating sense of humour and love of plants would endear him to many a British gardener.

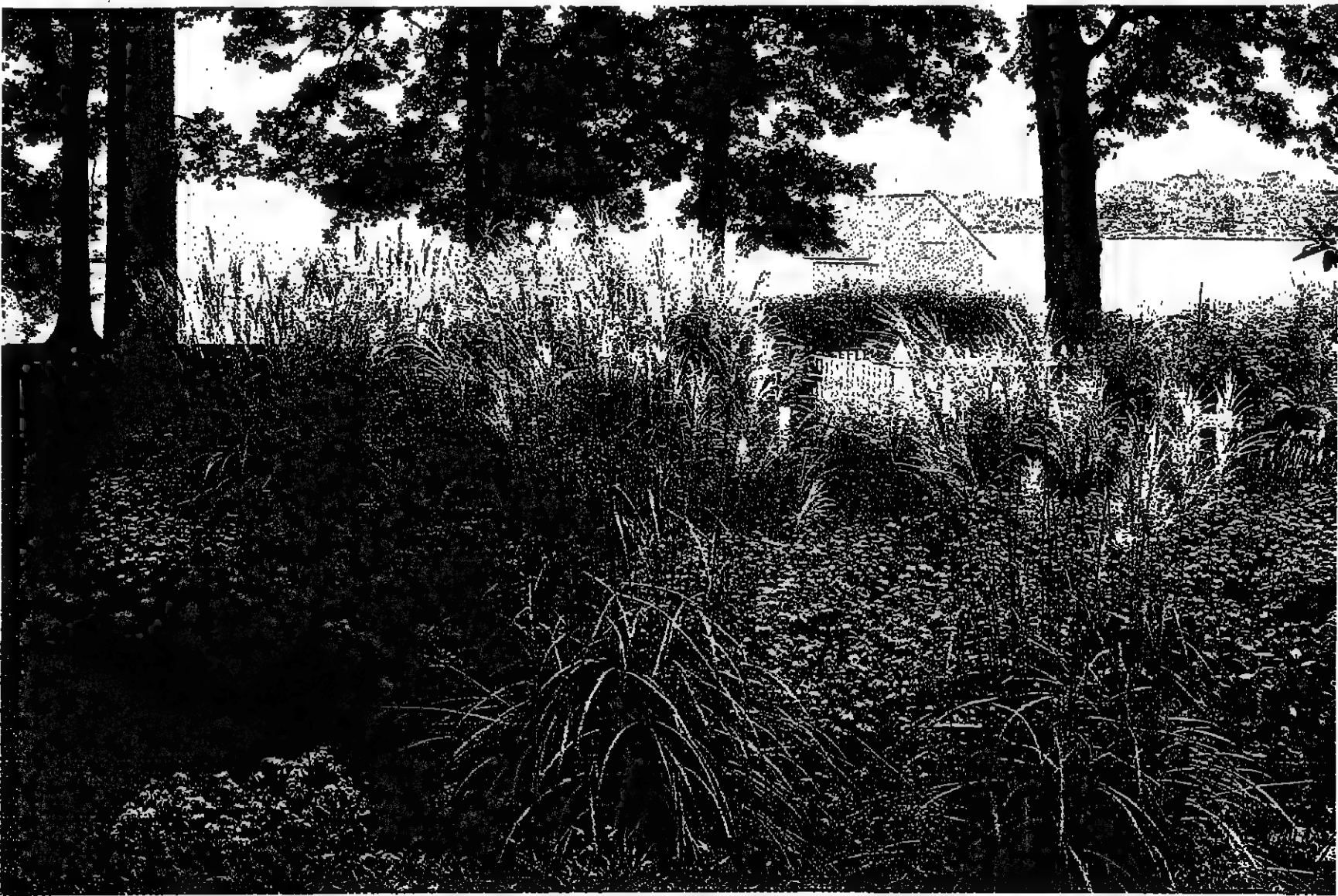
Characteristic use of swathes of perennials such as yellow-flowered Rudbeckia fulgida Goldstrum and the billowing seed heads of grasses such as Pennisetum alopecuroides and Miscanthus sinensis.

"It was a totally new idea for the US," explains van Sweden. "Employers were looking at it, saying it's like a vegetable garden, full of weeds, so we thought we'd give them a lecture. We expected 40, and 400 showed up. They loved it; they're trying out the plants in their own gardens."

Gardens for the rich and famous, for big corporations, along the capital's Pennsylvania Avenue, and for Battery Park City on the tip of Manhattan have followed, with van Sweden a popular speaker on the lecture circuit, and a regular output of books aimed at professionals and amateurs.

Their aim is nothing less than a revolution in how Americans think about their landscape. "Boldness" and "romance" are key words, even if they are contradictory concepts for the British onlooker. Boldness is about lines of planting that carry the eye across the landscape, linking it to the buildings it surrounds and out to the wider world. Romance is the romance of the big landscape, the evocation of the prairie with tall grasses wind-blown into waves.

Oehme's plant selection is part of the key to the novelty and success of the partnership. He conducts trials of the plants in his garden at home, selecting only those that combine a long



Characteristic of Oehme and van Sweden's work is their use of swathes of rudbeckia, sedum and billowing seed heads of grasses

Jerry Harpur

period of interest with reliability and low maintenance.

Private gardens can be planted with a variety of species but the constraints of unskilled maintenance and a widespread, voracious deer population limit what can be used in public spaces. While perennials like the rudbeckia and pink Sedum Autumn Joy provide colour over a long season, it is the grasses that set their style alight; the plumes of penstemon, the elegant reed-like stature of miscanthus and a hint of exotism in the broad leaves of Spodiopogon sibiricus provide the romance and dynamism.

By their annual cycle of growth, from ground level to two or more metres tall, it is the larger grasses that so dramatically remind onlookers of the cycles of nature in an often intensely urbanised society, and provide a vision and a reminder of nature. "Deer," explains van Sweden, "do not eat grasses... and grasses can take 120mph winds on the coast."

While Oehme's plantsmanship provides much of the content, it is van Sweden's architectural vision that gives it form and context. Imaginatively designed paving is a vital part of their work;

van Sweden is increasingly designing fencing, garden furniture and lighting fixtures.

The influence of Japanese gardens and culture on van Sweden is very apparent: if you follow a path through one of their gardens you are led through successive layers of planting which reveal views – intimate ones of individual plants or larger ones of the surrounding "borrowed landscape".

While enthusiasts of the partnership's style abound, it also has its critics, especially among horticulturalists. The limited range of varieties and use of

large masses of a single species are the main areas of contention.

Mass planting is an important part of their philosophy. "It gives a certain quality, drama and boldness," van Sweden explains. But they are also open to new ideas – "we want to experiment more with blending plants." The younger project managers in the company are enthused by the current interest in using native plants, wild-flowers from the prairies in particular, and a much more naturalistic meadow style is beginning to appear in their latest work.

It is this openness to new ideas

that promises to keep this exceptional partnership alive and contemporary.

But how open to their ideas should British gardeners be? Given that the US has influenced UK urban landscape with shopping malls and low-density industrial development, maybe we will see the lawns of suburban gardens replaced with low maintenance perennials and ornamental grasses.

■ Oehme, van Sweden and Associates, 500 G Street SE, Washington DC 20003; tel 1-202 546 7575. UK representative is Karen Sims. Neighbour: 01564 771805.

PROPERTY

As in ancient times, the wise travel on foot

Gerald Cadogan goes house-hunting in Athens, where the Olympic Games began in 1896, and to where they return in 2004

It may be irksome to Athens' growing financial markets, but the belief runs deep in Greece that land and housing are the safest investments.

Greeks like to own their own *spiti*, and use the word for both house and home, so that it includes apartments. As a result, the property market always has a fundamental strength, and a long perspective.

Many Greek parents, for instance, still keep the old custom of providing housing as part of their daughter's dowry - although, with the changing role of women, it is no longer the essential it was a generation ago.

In January, the government, well aware of Greeks' devotion to property and tangible assets, raised the taxman's take on property purchases.

In Athens, the best places to live are the centre, the southern suburbs by the sea, or the northern suburbs where the ground is higher, the air cooler, and there is more greenery.

The city, which was barely more than a village at the beginning of the 19th century, is now a huge, and mostly suburban, sprawl, fuelled by the influx of refugees from Asia Minor (Turkey) in the 1920s, and a large inward migration from the provinces in the 1950s, 1960s and 1970s.

More than 3m people occupy a plain that sits like a bowl in the mountains, and runs down to the sea and the port of Piraeus.

As in Los Angeles, these are just the cramped conditions that encourage smog to

form - the infamous Athenian *nefos*.

It is easy to see its yellow-brown pall over the city from an aeroplane coming in to land, or from out at sea. In summer heat the *nefos* is a serious health hazard.

But at this time of year, on a cold sunny day after a rainstorm has washed the city clean, nowhere is more exhilarating than Athens.

Walking is the best way to get around the small city centre, with the endless delight of coming round a corner suddenly to find the Parthenon at the end of the view, or Lykavittos, Athens'

Property values are bound to rise with the closure of the old Athens airport

prominent hill topped in best Greek habit by a white church.

On its lower slopes is Kolonaki, the smart area of downtown Athens with many expensive shops and, on the other side of Vassilis Sofas Avenue, the smaller, and even smarter, Anaktora ("Palace") area beside the National Garden.

In either area, the only accommodation available today is flats, although both used to have attractive neo-classical houses. They mostly disappeared as the

post-war apartment blocks sprang up.

In the 1960s, when I was a student in Athens, Kolonaki was the acme of chic, as new blocks vied to offer ever greater luxuries. But in the 1970s and 1980s it became (relatively) "very cheap", a Greek source says, as car ownership rocketed and people moved out to the northern suburbs.

Now it has regained its old standing, because it is right in the centre, in walking distance of everywhere, and cuts out commuting.

But choose carefully in Kolonaki. Does the flat have a view? And what is the state of the building? Some blocks are looking frayed as they approach middle age, but refurbishment can work wonders.

Rents typically cost Dr3,000-Dr3,500 (£425-£480) per sq metre per month, says Yannis Perrotis of agent Lambert Smith Hampton, and can reach Dr4,000-Dr4,500 for top floor flats with uninterrupted views to the Acropolis.

Buying an apartment in this category on Irodoou Atikou Street (in Anaktora) could cost around Dr2m a sq metre, says Yannis Ploumis of Ploumis-Sotiriopoulos. For new build in Kolonaki the price is around Dr1m a sq metre, and for "a tired flat with no view", Dr300,000 a sq metre.

The chic alternative is Plaka, the oldest part of the modern city resting against the slopes of the Acropolis. Plaka still keeps the narrow stepped streets, and some of the atmosphere of a Greek village. This is a big inducement to buyers in a country

where city dwellers stress their rural roots - and go "back home" to vote in elections.

But houses in Plaka are few and demand great. It was poor. Now it is posh. A run-down small house could cost Dr60m-Dr70m, says Ploumis, and it would cost the same again to renovate it, with a sporting chance that the work would take ages if the Archaeological Service found bits of classical Athens in the cellar.

Other areas in town with older houses are Petri, well placed between Plaka and the historic centre of the modern city ("where less

than 20 families now live," says Perrotis), and Metaxa, a trendy part popular with artists, near the Stadium and Ardittos hill.

Smart leafy suburbs to the north include Philothei, Psychiko, Kifissia, Ekali and Kefalari, where US-style satellite business communities are growing; people can work near home, and do not have to face the restrictions on driving into the centre. (To cut traffic and pollution, cars may circulate in the centre only every other day, depending on whether the number plate ends in an odd or even number.)

Foreigners with families

find these congenial areas but prices are similar to those in the best parts of the centre and the smart coastal suburbs: a four-bedroom villa with pool could cost Dr1m a month to rent.

Perrotis points out that plots in Psychiko - and few are left - cost over Dr20m for a *stremma* (1,000 sq metres), on which one could build a good house of 400 sq metres. But as the price of that would be Dr400m to Dr450m, the land is a large part of the package - as in Surrey in the UK.

By the sea, the key areas include Palaio Faliro, Glyfada, Voula, and Voutiras.

Here too expect a building boom, with a knock-on effect in property prices in the small port towns on the east coast.

In the city centre, the urgent need is, to finish the Metro extensions in good time for the Games - otherwise it will be one huge traffic jam.

But, as in ancient times, feet are best in Athens. Wise owls will choose the least car-dependent property they can find.

■ In Athens (0694-1): Lamberti, Smith, Hampton (0694-3697); Ploumis-Sotiriopoulos (0694-3112).

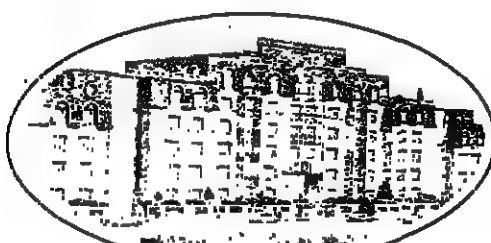


More than 3m people occupy a plain that sits like a bowl in the mountains, and runs down to the sea and the port of Piraeus

Headline Photo Agency

LONDON PROPERTY

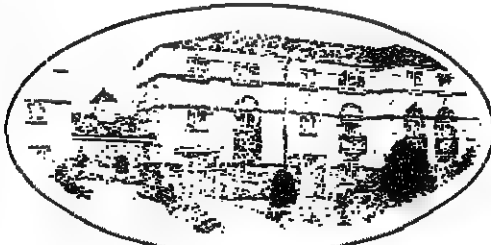
For people who've arrived. Somewhere to go.



WESTMINSTER SQUARE

WESTMINSTER BRIDGE ROAD, LONDON SE1

Set in the heart of London this development of 141 luxurious apartments is 400 metres from Waterloo Station and 700 metres from the Houses of Parliament. There are only 15 of these homes left and with the 24 hour concierge and underground parking included they won't be around for long. For further information or to arrange a viewing please call 0171 642 8399. TWO BEDROOM APARTMENTS FROM £236,500



KING'S ACRE

OSBORNE ROAD, WINDSOR

50% of our unique selection of two, three and four bedroom apartments and four bedroom houses have already been reserved at our new development in the heart of Windsor. These homes are built to the highest specifications and are in sight of the castle. For further information please call our new sales centre and showhome on 01753 859093. PRICES START FROM £288,000



BROOK MANOR

TURNER'S HILL ROAD, EAST GRINSTEAD

There are only two of these truly unique four bedroom houses left in our newly built manor house. Set within three and a half acres of beautifully landscaped and maintained gardens, complete with a tennis court, the twelve houses are built to the highest standards. For further information of this exclusive residence please call 01342 312 252. FOUR BEDROOM HOUSES FROM £255,950

BELLWAY HOMES

Every location is unique. Every home is different. www.bellway.co.uk

CITY - PIED A TERRE 17-18 Park Lane, 11th floor, prime location. Secure new home, porter, gym, roof terrace. £108,000. Harford Sales Office 0171 250 1012.

MARYLEBONE W11 Stunning 2 bed 2 bath, old rectory, period flat with conservatory and roof terrace in new development. FF, 1 car space, 99% new. £298,000. 0171 408 2738.

NOTTING HILL GATE Chiswick Cres. W11 Well-appointed central 1 bed flat at most, side lift, central heating. 0171 229 6013.

LANDLORDS - WE URGENTLY require properties in W1, W2, W8, SW1, W9, W10 & W14 for awaiting tenants. TENANTS - Studio 1 bed-bed flats available in central London. Call 0171 224 5596/0596 123602.

INTERNATIONAL PROPERTY

KASSOUBRA HALKIDIKI

Secluded & Exclusive RESORT

3/4 Bedrooms, 2 Bathroom Houses being constructed in this sought after area of mainland Greece. Prices from £25,000. Inspection Trips £100. (For a limited period only). Flagdata Limited, Nympha Properties Overseas, 8 Denmark Street, London WC2R 1LP. Tel: 01 903 732 581. Fax: 07 050 138 704. Email: flagdata@clia.pipex.com

EXCHANGE RATE

ENGLISH PERSON on hand. Studios, apartments, super villas on sea. Beaudou, Villefranche, St Jean, Cap-Ferrat, Côte d'Azur. Contact: Jay Walker & Poir Tel: 0173 343 911 1840. Fax: 0173 343 911 2236.

VERBIE SWITZERLAND

Extensive selection of Apartments & Chalets in Switzerland. Personal Advice & Management Service. HILARY SCOTT, The Swiss Specialist. Tel/Fax 01243 583215 (UK)

CHIANTI - TUSCANY - ITALY

Attractive farmhouse, on exclusive area, dramatic views. Large reception, 4 bedrooms, 2 bathrooms, 20 acres of land, swimming pool, 50 minutes from Florence. Price: £220,000 plus commission. Tel/Fax (Italy) 06-39-577-24999. Mobile: 06-39-548-51133. Email: lisa@chiantireale.it

ALPINE PROPERTIES

Lowest prices + strong demand + new purchase laws = brilliant opportunity to buy. Alpine Residences 01754 417377

For further Residential Property

Please see Section 1

MALLORCA

New development in beautiful PORT ANDRATX

EL PUEBLO, CALA MORAGUES

Two bedroom two bathroom apartments. All with balcony and beautiful sea view. Swimming Pools and Sea Bathing. For colour brochure, full specifications and prices: OPAL TEN S.L. Phone: 063471 724046 or Fax: 063471 714967

BUYING ABROAD?

The Spring overseas property exhibition:

The Cumberland Hotel

Martine Arch, London W1

Friday 13th, Saturday 14th, Sunday 15th February 1998

Friday 1200 - 1800, Sat/Sun 1030 - 1700

Over 50 top Agents and Developers from Spain and the

Benelux, the Canary Islands, Greece, Australia, Portugal,

France, Italy, Cyprus, Malta, Florida and the Caribbean

will be displaying their properties.

THE INTERNATIONAL PROPERTY SHOW

Tel: 0171 733 8384

FREE Admission

900 SQUARE METERS OF LUXURY AND TASTE BETWEEN THE SKY AND THE SEA, ON THE ISLAND OF CRETE, GREECE

Call us 1998, the 900 sq.m. villa is located on 7 acres of land, it has a spectacular view of the Aegean Sea, complete with three bedrooms, four guest rooms, spacious living room, a dining room, office, fully equipped kitchen (refrigerator, oven and chairs for eight), guest rooms, master room, master bath, two bathrooms, Jacuzzi, two fireplaces, separate quarters for the staff, two car garages, swimming pool, independent electricity supply from a private well, facility to build a tennis court. Price: £1,200,000. For information contact: Tel: (0030) 681 6110, Fax: (0030) 6842 482.

DANOS & ASSOCIATES CHARTERED SURVEYORS S.A.

PROPERTY CONSULTANTS - VALUERS - AGENTS - MANAGERS

GREECE 2 Kountourou St., 10574 ATHENS. Tel: +301 3842507-8 Fax: +301 3840784

17 Thessaloniki St., 54004 THESSALONIKI. Tel: +352 277031, 316235 Fax: +352 277011

CYPRUS 35 Academicos Ave., 2007. Tel: +357 2 377031, 316235 Fax: +357 2 377011

GSTAAD, SWITZERLAND

Beautiful luxurious, 4 bedroom, 2 bathroom chalet, close to cable cars; custom-designed kitchen, magnificent private garden, raised terrace. Private sale. No intermediary. Tel: 01344 291948 (1400-2130 hrs only)

One of the best true wilderness areas: 11000 acres in Botswana, set in a conservancy area of 300,000 acres, contains largest number of elephants on privately owned land anywhere in the world. Lion, leopard, cheetah and a wide variety of game. Purchase 1/20th share in this private reserve. Thatched lodge, bushcamp, 1000 metre runway and hangar, game drive vehicles etc. The reserve is accessible and professionally managed for owners and guests. Price: £175,000. Contact: Peter FM Tel: +27 11 784 6556 (Johannesburg) Fax: +27 11 784 1857

AFRICAN GAME RESERVE

One of the best true wilderness areas: 11000 acres in Botswana, set in a conservancy area of 300,000 acres, contains largest number of elephants on privately owned land anywhere in the world. Lion, leopard, cheetah and a wide variety of game. Purchase 1/20th share in this private reserve. Thatched lodge, bushcamp, 1000 metre runway and hangar, game drive vehicles etc. The reserve is accessible and professionally managed for owners and guests. Price: £175,000. Contact: Peter FM Tel: +27 11 784 6556 (Johannesburg) Fax: +27 11 784 1857

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

BUYING ABROAD?

The Spring overseas property exhibition:

The Cumberland Hotel

Martine Arch, London W1

Friday 13th, Saturday 14th, Sunday 15th February 1998

Friday 1200 - 1800, Sat/Sun 1030 - 1700

Over 50 top Agents and Developers from Spain and the

Benelux, the Canary Islands, Greece, Australia, Portugal,

France, Italy, Cyprus, Malta, Florida and the Caribbean

will be displaying their properties.

THE INTERNATIONAL PROPERTY SHOW

Tel: 0171 733 8384

FREE Admission

900 SQUARE METERS OF LUXURY AND TASTE BETWEEN THE SKY AND THE SEA, ON THE ISLAND OF CRETE, GREECE

Call us 1998, the 900 sq.m. villa is located on 7 acres of land, it has a spectacular view of the Aegean Sea, complete with three bedrooms, four guest rooms, spacious living room, a dining room, office, fully equipped kitchen (refrigerator, oven and chairs for eight), guest rooms, master room, master bath, two bathrooms, Jacuzzi, two fireplaces, separate quarters for the staff, two car garages, swimming pool, independent electricity supply from a private well, facility to build a tennis court. Price: £1,200,000. For information contact: Tel: (0030) 681 6110, Fax: (0030) 6842 482.

DANOS & ASSOCIATES CHARTERED SURVEYORS S.A.

PROPERTY CONSULTANTS - VALUERS - AGENTS - MANAGERS

GREECE 2 Kountourou St., 10574 ATHENS. Tel: +301 3842507-8 Fax: +301 3840784

17 Thessaloniki St., 54004 THESSALONIKI. Tel: +352 277031, 316235 Fax: +352 277011

CYPRUS 35 Academicos Ave., 2007. Tel: +357 2 377031, 316235 Fax: +357 2 377011

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

For further details apply: Paphos, 78 Lower Street. Tel: (01796) 819197

LONDON PROPERTY

montevetro

Montevetro is a new landmark residential development of 103 apartments and penthouses on the south bank of the river Thames at Battersea, overlooking Chelsea's Chéyne Walk.

Designed to the highest contemporary specification by Richard Rogers Partnership, the scheme will rise to 20 storeys and will offer the most spacious and dramatic apartments anywhere on the river.

Amenities will include a leisure centre with tennis court, extensive underground car parking, private landscaped gardens and 24-hour security.

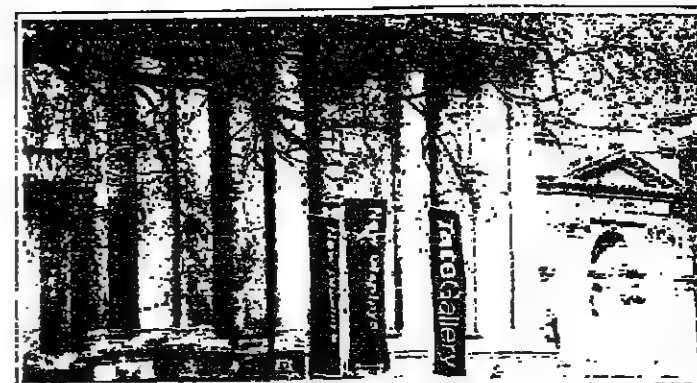
Following the commencement of construction and the opening of the on-site sales office, over 40% of the apartments have now been sold.

Prices start from £455,000 for a 2-bedroom apartment and from £1.45m for penthouses.

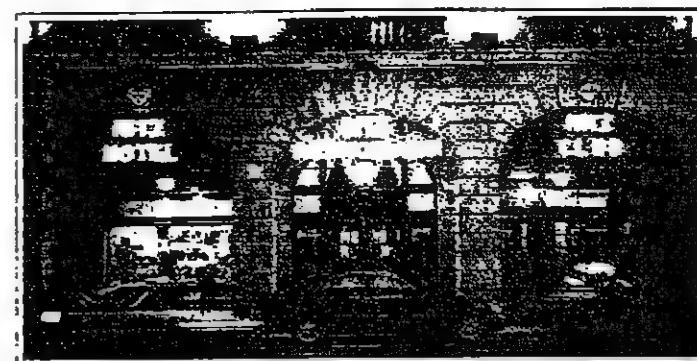
Montevetro will be available for occupation from May 1999.

For further information please visit the sales office at 112 Battersea Church Road, call on **0171 801 0200** or fax on **0171 585 0850**.

BEANEY PEARCE **TAYLOR WOODROW**
0171 589 1333 0171 801 0200



THE local picture-house



THE local restaurant



THE world's most desirable address.

SET ALONGSIDE THE HOUSES OF PARLIAMENT, WESTMINSTER ABBEY AND THE RIVER THAMES
APARTMENTS OF UNRESERVED LUXURY FROM
£160,000 to over £2,000,000

FPDSavills
LONDON
0171 630 8866

ST JOHN'S
WESTMINSTER

BALLYMORE
DEVELOPER
PROPERTIES
http://www.ballymore.co.uk

106 WAREHOUSE APARTMENTS ADJACENT TO CANARY WHARF

STYLE ON THE WATERFRONT AT WEST INDIA QUAY

PRICES FROM £170,000

Manlybore Warwick Balfour **Knight Frank**
0171 537 0000 www.manloft.co.uk

HOME Search LONDON
London's No.1 Specialist Search Company
• We Purchase Residential Property and Investments for Clients
• Expert Central London Knowledge
• RICS Qualified and Licensed
"LET US SEARCH FOR YOU"
Tel: +44 171 838 1066
Fax: +44 171 838 1077
www.homesearch.co.uk
King's Cross, SW3

BOTTON CARRINGTON PRITCHARD
Leasehold enfranchisement specialists
0171 884 3399

COPPING JOYCE
ISLINGTON & CITY
A selection of houses and flats available for rent in all price ranges. Furnished or unfurnished. Many ready for immediate occupation.
Tel: 0171 226 4221
Fax: 0171 226 4167

ARE YOU LOOKING FOR INVESTMENTS?
FOR THE WIDER SELECTION OF PRIME CENTRAL LONDON RESIDENTIAL PROPERTY WITH THE WISEST VALUE
Contact: Stock Page Stock
0171 430 9032

The Piper Building

Peterborough Road Fulham, London SW6

- Double height ceilings
- Many with river views
- Shell apartments from £275,000 - £445,000
- Fitted out apartments from £299,000 - £415,000

TRY
TRY HOMES LIMITED

Show apartments open daily
0171 736 2671

COUNTRY PROPERTY

BIDWELLS
PROPERTY CONSULTANTS

NORTH NORFOLK

Plot 4 miles Fakenham 9 miles Norwich 10 miles

Attractive well equipped and irrigated farm with sporting potential
Farmhouse: Insulated potato storage. Grain storage. Outdoor pig unit. Irrigation main. Amenity woodland.

About 189.166 hectares (467.460 acres)
For sale as a whole
Contact Michael Falcon
(01603) 763939
email: mlf@bidwells.co.uk

OFFICES THROUGHOUT THE EASTERN REGION

SUPER LUXURY FLATS
In Knightsbridge, Marble Arch, Hyde Park, Mayfair from £350-£3,000 p.w.
For long/short lets Enhance Plus
0171 628 0501

CITY & BLOOMSBURY WC1
For a comprehensive list of quality 182 bed unfurnished apartments from £250 p.w.
Tel: 0171 250 1012
Hurlford Salvi Carr

MANSON MEWS HOUSE
Sunny side, close to Regent's Park, 4 beds, 2 baths, 11 sq. ft, full m, 1 yr old, 1 yr old, £700,000 F.H.I.
0171 373 0978

Use the Internet to find houses & other property from Britain's leading estate agents
propertyfinder.co.uk
Agent enquiries: Tel: 0171 371 6611
Email: ipf.admin@propertyfinder.co.uk

City Approach Elegant Living in the City
Waking up in the City
£1,250 p.w.
Up to 10% A.R.P.
Available August 1998
Show Flat Opens 19th Feb 10.30-9.00pm
Copping Joyce: 0171 359 9777
Hurlford Salvi Carr: 0171 250 1012

BUYING FOR INVESTMENT?
EDINBURGH CITY CENTRE
offers outstanding value for money, with excellent capital growth expected over the next few years.
Mews property situated near to Princes Street and the new Parliament site.
4 bedroom house, 3 bathrooms, lounge/dining room, study, integral garage, patio garden.
£155,000 to yield 7.2%
WHY PAY DOUBLE OR THREE TIMES THE PRICE IN LONDON?
CONTACT: MALCOLM WARRACK SENATE INTERNATIONAL
TEL: 0131 226 3636
FAX: 0131 226 3636
E01 - SITE FOR SALE. Consents to build modern house close to the Barbican.
£135,000 Hurlford Salvi Carr
T: 0171 250 1012 F: 0171 250 1015
SHOREDITCH E2. 2 bed house, London.
£235,000 Hurlford Salvi Carr
T: 0171 250 1012 F: 0171 250 1015

HAMILTON BROOKS
CITY EC4 - TO LET
Selection of luxury studio, 1 bed, 2 bed + 1 penthouse.
Fully furnished.
Quiet courtyard development, some with balconies
0171 658 2153

OLD THEATRE COURT BANKSIDE SE1
A SELECTION OF NEWLY BUILT TWO BEDROOM APARTMENTS WITHIN EASY WALKING DISTANCE OF THE CITY
NOW READY FOR IMMEDIATE OCCUPATION
PRICES FROM £195,000
PARKING SPACE AVAILABLE AT AN ADDITIONAL £15,000
CONTACT: SOLE AGENT
DUNCAN ALLEN
0171 407 2790
FAX: 0171 407 3275

London
TOWER BR: Extra delux 2 bedroom apt 1350 sq ft. + Parking/Storage/Fitness cent terrace on river near Design Cnt. Ready in 2 months. Contract assignt. for sale.
Fax: 001-718-783-0308 for details.
LONDON. A Grade II Listed Georgian townhouse with 4 bedrooms, located in Little Adelphi, and backing onto The Strand. Refurbished to a high standard by Berkeley Homes (Surrey) Ltd. Price £385,000. Telephone 01832 576500

EDUCATION

Great schools are tempted into revision

Simon Targett looks at how the choice of Easter examination-preparation courses is widening

It could be that tomorrow's generation of GCSE and A-level students will not need an Easter revision course.

The government's curriculum advisers, who oversee all public examinations, this week announced plans to introduce annual tests for most primary school pupils. So by the time they reach the age of 16, these pupils should have mastered the art of passing exams.

But today's teenagers are still filled with foreboding in the run-up to the exam season, and they are clamouring for one or two-week courses of intensive tuition during the Easter holidays.

This - and the fact that parents are ready to spend more than £500 to turn their teenage children into titans of the examination hall - explains why a few elite public schools are entering the Easter revision market for the first time this year.

Traditionally, Easter revision has been dominated by the tutorial colleges - the so-called "crammers" - and the "seasonal providers" which cater exclusively for pupils revising in the final weeks of their GCSE and A-level courses.

One or two famous boarding schools have offered rival courses since the mid-1980s, notably Wellington College, built in Berkshire as a memorial to Napoleon's vanquisher in 1863, and Millfield, founded in the 1830s and located in Somerset.

But, for all their success, they attracted few disciples among the Headmasters' and Headmistresses' Conference which represents the top 260 private schools.

Then last year Harrow

School, one of the country's grandest public schools, launched some GCSE and A-level revision courses on subjects ranging from science and mathematics to theatre studies and Japanese.

It was so successful - even a pupil from Eton, Harrow's great rival, enrolled on a course - that it is being repeated this year in expanded form: classical civilisation is now an option.

Other great schools have been tempted into the market this year, pre-eminently Clifton College, founded in 1862, and Winchester College, which admitted its first scholars in 1382.

This trend has prompted a

Easter revision is a notoriously unregulated market. It is not 'a shark-free zone'

mixed response from rivals among the traditional providers.

Marilyn Craig, who runs Justin Craig Education, arguably the biggest Easter revision operation in the country, points to the Johnny-come-lately factor.

"It is really ironic," she says. "When I started out, I wanted a boarding school to house our courses, and I got back some terrible replies - in effect, saying 'how dare you'."

That was back in 1981.

Since then several schools have hosted the Justin Craig courses, including such renowned institutions as Haileybury College in Hertford and the Mount School in York. This is evidence that the market for Easter courses has changed dramatically in the intervening years.

For one thing, the tutorial colleges and "seasonal providers", such as Justin Craig Education, have been spectacularly successful in recruiting pupils from the top private schools.

Elizabeth Rickards, principal of Davies Laing and Dick Independent College, says a significant proportion of pupils on last year's revision courses came from traditional schools with high academic reputations - notably, Eton, Harrow, St Paul's boys' and girls' schools, and Westminster.

In some cases, the pupils were so impressed with the course that they decided to transfer schools.

Ben Moss, a GCSE student at Highgate, moved to DLD - as pupils call it - to study for A-levels. "It was a great course," he remembers, "and I have never come across teaching like it."

Another difference is the rising quality of the GCSE and A-level pupils. "We used to see pupils struggling to pass their exams," says Rickards, "but we are now seeing more pupils on the A/B borderline."

This development has been driven by the growing competition to secure a place at an "ivy league" university, as well as the tendency for some top employers to take more account of A-level grades than degree classifications.



Tim Parkinson of Winchester College: 'You see people making a really big improvement'

Enthusiasm and cloisters

Winchester College is keen to 'open up'. Simon Targett reports

A delicate charcoal drawing of Winchester College, which appears on the front cover of the "economics revision course" leaflet, conveys the traditional image of the school: an Oxbridge-style academy, founded in the 14th century, with spires, cloisters and teachers who call themselves "dons".

But it rather poses the question: why run an Easter revision course?

One reason, it seems, is to "open up" the college to the wider community, to show people what it is like "beyond the flint wall", as Patrick Maclure, director of the Friends of Winchester College, puts it.

There is also great pressure from the government for "fee-paying" private schools to share their facilities and expertise with state-funded schools. Winchester already runs "activity camps" for children aged four to 18, but a report published this week by the Independent Schools Council highlighted the community work of rival schools - notably Eton, which runs a week-long summer school for 50 post-GCSE pupils from state schools in the London Borough of Brent.

Another reason is finance. Winchester's endowment may exceed £20m, but it is poorer than Eton. "That is the difference between being founded by a bishop and founded by a king," says Maclure.

Winchester was established by William of Wykeham, Bishop of Winchester and chancellor to Richard II. Eton was established nearly 60 years later by Henry VI.

But the most immediate trigger for the A-level revision course is the enthusiasm of the economics staff. Three of the five dons - all graduates of Oxford's politics, philosophy and economics course - signed up to teach non-Wykehamists during their precious holiday.

For Tim Parkinson, architect of the course, it will be nothing new - he has done Easter shifts for a London "crammer" and admits to enjoying it. "It's a great feeling," he says, "especially when you see people making a really big improvement in a short space of time."

How much pupils will enjoy the course is another matter. It will not be easy. An eight-hour day will begin with a morning of "intensive" tuition - each lesson lasting one-and-a-half hours - followed by an hour-long test, two half-hour lessons, and an hour-long individual tutorial in the afternoon.

Parents might gulp at the

Three dons have signed up to teach during their precious holiday

price - £410 for five days.

But these drawbacks may be outweighed by the key selling points: the teaching - exclusively by Winchester's teaching staff; an "after care" service so pupils can contact their revision tutors in the days before the A-level exam; and the college's reputation for getting their own pupils into the top universities.

Last year, 35 pupils from Winchester went to Oxford, 14 to Cambridge, 12 to Durham, 11 to Bristol, nine to Edinburgh and eight to University College, London.

A week at the school will not turn pupils into instant Wykehamists, especially since the course is predominantly non-residential. But, as Parkinson says, "it will give people a taste of working in a well-known and successful academic establishment."

EASTER REVISION

EASTER REVISION at CATS

With examinations fast approaching, an intensive programme of revision and exam preparation, in small groups, helps students succeed at GCSE and A-Level.

For further information please contact:
01223 314431

CATS Round Church Street Cambridge CB5 8AD



IMPROVE YOUR FRENCH

CHALLENGE The Language Specialists

• French 'A' level revision
1-2 Weeks Bordeaux
Half-Term & Easter '98

(01273) 220261

Savoir-Faire

in 157 Languages
Corporate one-to-one courses residential in Wiltshire/Devon.
Daily in-house training nationally.

Easter refresher weekends and weeks one-to-one.

01803 866987 Fax 862096



FREE REVISION PLANNER & BROCHURE
01727 827000
http://www.justincraig.ac.uk

COLLINGHAM LONDON · OXFORD

EASTER REVISION

Small groups & individual tuition
Study skills & exam practice

23 Collingham Gardens

London SW5 0HL

Telephone: 0171 244 7414

www.cdc.org.uk/collingham/index.htm

31 St Giles, Oxford OX1 3LE

Telephone: 01865 728280

www.collingham.co.uk

HAPPY NEW YEAR HAPPY NEW YOU!

- Have you ever wanted to WRITE · PAINT · ACT...?
- Do you need to be more original in your work?
- Or just have more FUN!?

Then come and join us!

12 weekend course

'creativity!'

Fully catered in beautiful location,

1 hour south of London, Sat/Sun.

Tel: 01273 679917

to request details.

Places limited so

BOOK NOW!

Oxford Easter Courses

non profit-making educational courses

1st/2nd YEAR A LEVEL REVISION

Conventional or Modular Syllabus

Fully Residential at

St. Hilda's College

April 4th - 9th and 14th - 19th

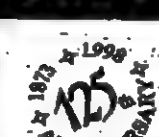
High quality courses run by ex-A level examiner for A level students only.

Full board, single rooms, specialist tutors.

Tel: 01865 311517 (24 hrs)

98 Southmoor Road, Oxford OX2 6RB

CHOOSING A COURSE



Contact Gabbitas for independent, friendly, expert advice on suitable Easter revision courses and independent colleges.

GABBITAS

EDUCATIONAL CONSULTANTS

126 - 130 Regent Street, London W1R 6EE

Tel: 0171 734 0161 Fax: 0171 437 1764

YOUR PLACE IN FLORENCE

The British Institute of Florence offers special Easter revision courses and regular courses of ITALIAN and ART HISTORY

all year round

THE BRITISH INSTITUTE

Piazza Strozzi 2,

50123 Firenze, Italy

Tel. (0039) 55 28 40 31

Fax. (0039) 55 28 70 71

Would speaking your Customer's language have made the difference?

Did your last meeting overseas go as well as you had hoped? No? Why not? Did you lose out to a competitor who did speak the language of the customer?

Don't let it happen again!

Call BERLITZ for details of 'Doing Business in' French/German/Spanish NOW on

0171 - 915 0909

0121 - 643 4334

0161 - 228 3607

0131 - 226 7198

Berlitz Helping the World Communicate.

Forthcoming Education Features

March 14 - Boarding Schools

April 25 - Summer Schools

May 16 - Language Courses

June 13 - Independent Schools

The FT's education programme is read by an affluent & international audience of parents seeking the best schools and colleges making the FT an ideal place for educational establishments to advertise.

For further information, please contact:

Alice Croxford

Tel: 0171 873 4418 Fax: 0171 873 3098

مكتبة النهر

Skiing

Snow so good that it's just unreal

Arnie Wilson is impressed by the high quality artificial snow he found in Maine

The snow was as soft as velvet and our skis as silent as a Rolls-Royce engine... as we plunged down Right Stuff. Colorado powder? Not a bit of it. We were in Sunday River, Maine, and this was one of the biggest surprises of my skiing career: my first encounter with artificial snow of such high quality that it was almost like the real thing at its best.

It was the right stuff all right. Even later, over an Excalibur at the Foggy Goggle restaurant, I could scarcely believe it. We were still talking about it over dinner at the Great Grizzly Steakhouse.

Les Otten, the supreme of East Coast skiing, seems to have hit the bull's-eye with a vast array of state-of-the-art snowguns across his collection of ski resorts, dubbed by one wit "the Ottemman Empire".

These huge, metal tower-guns rear 30ft above the trails, sending clouds of snow billowing into the air - and eventually on to the trails in home-made snowstorms. Peter Kenney, our guide, a coach with Sunday River's Perfect Turn ski school, pointed at the ground below the chair we were riding. "This is what it would look like without man-made snow - reduced to sticks and stumps pretty quickly."

The snow, of course, is the thing. In New England they make it whenever possible, day and night. "We'll even make snow in the middle of a snowstorm," says George Driscoll, international sales

manager of Otten's American Skiing Company. "You can have the most extensive lift system in the world, but if you do not have the snow, it is a lift to nowhere. Until Les came along, people tended to be so busy dividing up the pie they never spent much time growing the pie."

If you think of snow like washing powder, Otten's new, improved product is as white as it gets, soft and forgiving, and he is out to sell it to the skiing masses. The

Otten plans to install his patented technology in Heavenly, California

secret, he claims, is a combination of the height of the towers and the design of the nozzles.

The further artificial snow has to fall before it hits the ground, the more chance it has of producing bigger, lighter crystals. "The nearer the ground, the tinier the crystals - and the more likely they are to fall as tiny ice splinters," he says. By making the mixing-chamber in the nozzle as small as possible, there is less chance of too much water unbalancing the mixture.

Otten plans to install his patented Signature Snow technology at his latest acquisition in Heavenly, California, which already has one of the biggest snow-

making systems in the US, and even in the heart of both Utah and Colorado ski-country, where good snow falls so abundantly, at The Canyons (formerly Park West/Wolf Mountain) and Steamboat.

As something of an apologist until now for East Coast skiing, I have always believed that the rasp of skis on ice and unforgiving artificial snow was the inevitable price for enjoying the charms of New England. And that all the hype about the vast fire-power of snow cannons was just a marketing tool designed to make a virtue out of necessity. No longer.

Any snow-maker can mix water and air which will look white and allow a ski to slide. But slide is often the operative word. Like most recreational skiers, as soon as I hit poor-quality man-made snow, my skis are inclined to slide away and I tend to compensate by tensing my muscles. The result is rarely pretty to watch.

"In the beginning, they needed the ground to be white, and no one was interested in anything else," says Otten. "Then I found out that if the snow is better, I ski better."

"Call it vanity, advancing age or selfishness - whatever - I figured that if I liked it, everyone else ought to like it."

Otten's feeling for artificial snow has, completely unexpectedly, helped make him the most powerful individual in American skiing - his American Skiing Company owns nine resorts.

"Gradually, over the years,



Scott Brooksbank competing in the East N' Burn moguls competition at Sunday River. He stands in as a film stunt man

AP/WIDE WORLD

the old standards became unacceptable," he says. "The east was losing traffic to the west. We knew as far back as the 1960s that if we used enough energy we could make dry snow. But in those days it was very expensive."

"By the late 1980s people were interested in quality - not just making the slopes white. I was determined to break out of the mould that was producing average snow. We needed to overcome the reputation we had in the east. But we had to figure out a way of doing it."

"It was like producing a motor car capable of 60 miles to the gallon instead of 12". Now, thanks to the latest technology, he seems to have achieved his goal.

Otten's flagship is still Sunday River, where he and

his team have beavered away for years trying to improve the resort, which now has an impressive 128 trails spread across eight peaks.

Finally, when he had tinkered with the resort and expanded it as much as he could - prompting one local man to exclaim: "Hey, there's a mountain growing in my back yard" - he crossed the Maine state boundary to acquire Attitash (Native American for "blueberry") in the Mount Washington Valley. That was just three years ago.

Otten's deal was the beginning of a sudden climb from relative obscurity to US-wide fame. After spending a fortune revitalising Sugarbush with seven new lifts, Otten stunned the skiing world

twice within less than a year by acquiring Killington (see last week's FT Weekend), the resort which, as his one-time employer, sent him to run Sunday River in the first place - plus its sister resorts of Sugarloaf and Mount Snow.

Late last year, Otten snapped up Heavenly, Steamboat and the Canyons, which is said to have even bigger potential than Vall.

Like many resorts in New England, Attitash and its companion mountain, Bear Peak, compensate for lack of altitude (in spite of a 1,780ft vertical drop) with some delightfully varied terrain. Wandering Skis is a recently cut gladed run, and Idiot's Option a narrow, plunging, roller-coaster trail.

Another intriguing trail -

Wilfred's Gawn - celebrates a run built by mistake. The Wilfred in question miscalculated and put the trail in the wrong place. When he died a year ago, aged 96, the resort's management decided to leave his run forever ungroomed.

Thanks to the vastly improved snow-making system, Otten's resorts pride themselves on their ability to stage a quick recovery after severe weather conditions - even after this month's "ice-storm of the century". But should the occasional spot of hail, mist or freezing fog dull your enthusiasm, staff such as Randy Rotha will rekindle it for you with his boisterous banter.

During our New England tour we were hoping to meet

three other local characters: Grizzly, a ski ambassador in Killington, Rocket, a snowboarding guide at Attitash and Crazy Eric, a half-pipe expert from Sugarloaf - but in the end, our paths did not cross.

However, we found lunch with Otten just as entertaining. He is so used to being asked the secret of his success that he has a sign in his office saying: "It's the snow, stupid!"

Arnie Wilson flew to Boston with British Airways. He stayed at the Trail Creek Apartments in Killington, the Sugarbush Inn at Sugarbush, the new slope-side Grand Summit Hotel at Attitash and the Grand Summit Hotel at Sunday River. Transport arrangements were by Dollar Rent A Car.

CONCORDE TO BARBADOS
14 NIGHTS FROM £4495

Stay at a choice of luxury hotels and fly CONCORDE either to or from Barbados. Departures throughout the winter until 25 April.

STOP PRESS...STOP PRESS
Availability on Concorde Summer flights to Barbados during August. Call now for prices and details.

*Price based on 14 nights at The Sandpiper with a Concorde flight on 11 April and a British Airways World Traveller return on 25 April.

Elegant Resorts
01244 897 999
ATOL 2448 ASTA V1112

CARIBBEAN SAILING
FROM ONLY £760*
Two weeks flights inc.
SKIPPERED, CREWED AND BAREBOAT
ALSO SEYCHELLES, MALDIVES & THAILAND

01705 222 222 (24 HRS)
http://www.sunsail.com

Sunsail
SUNSAIL TRAVEL LTD

CROATIA
THE WIDEST CHOICE OF HOLIDAYS TO CROATIA

DUBROVNIK
FROM ONLY £189

01865 798888
01865 798888

NATURIST FAMILY HOLIDAYS
at leading nudist resorts in Croatia & St. Martin (Caribbean). Free 56-page brochure on nudist resorts worldwide from Penryn Travel Limited

01708 471832

FRANCE
The finest villas available for rent in the Côte d'Azur with a full range of services and facilities. The only discernible difference is the price.

0033 493 123400
0033 493 123401

DORDOGNE 6 bedrooms beautifully renovated farmhouse. Magnificent view, pool, garden. Also smaller properties. Bookings 01 606 724457

PROVENCE & ST. TROPEZ Villa & chalet with pools, most staffed & village houses. Provence, St. Tropez, Côte d'Azur, Dordogne, Gascogne, The Alps & other regions. The best properties are in the French Riviera's colour book. Tel: 0171 585 3235

PORTUGAL
WESTERN ALGARVE
PORTUGAL
Parque de Floresta golf & leisure club
4 Bedroom luxury villa
pool & views over golf course
discounted prices
avail. July, August £250 per week
Tel./Fax: +351 82 659595

SKIING
Don't pay too much for your ski travel insurance

£22
0171-375 0011
COLUMBUS

BIGFOOT TRAVEL
SKI SPECIALISTS
CHAMONIX
Flexible dates - WEEKENDS
Tailor made holidays - corporate/private
Carnival, chateaux, hotels or apartments
Excellent in-rent services
Ski until May
Ski hire & equipment available
Tel: 0171 591 0300 Fax: 0171 591 0301

PORTES DU SOLEIL France - superb accommodation suitable for all. 6000m. Tel: 01702 728820

INSURANCE
Don't pay too much for your travel insurance

£22
0171-375 0011
COLUMBUS

AFRICA
TAILORMADE SAFARIS
ZIMBABWE, BOTSWANA, TANZANIA, SOUTH AFRICA
Luxurious remote lodges, walking, canoeing, riding and vehicle safaris with the very best guides. Secure vehicles. Adventure with comfort. Call us to create your ideal safari.

Tel: 0171 260 7205 Fax: 0171 260 7206
200 VICTORIA TRAIL, LONDON, W1P 5EP

AFRICA
Tailor-Made Safaris
ZIMBABWE, BOTSWANA, TANZANIA
Enjoy luxury and adventure in a small exclusive safari and lodge. Excellent game viewing, on foot or by vehicle. Light aircraft transfers a specialty. Free phone 0800 375 9090
Tel: 0171 260 7205 Fax: 0171 260 7206
200 VICTORIA TRAIL, LONDON, W1P 5EP

CARRIER
exclusive Africa
South Africa, Zimbabwe, Botswana, Kenya, Tanzania, and the Indian Ocean
Tailor-made holidays, luxury safaris, individual service
Call now for new brochure

01625 582006

ITALY
TUSCANY UMBRIA
Exclusive villas & apartments in Italy
Exclusive villas & apartments in Italy
Exclusive villas & apartments in Italy
Exclusive villas & apartments in Italy
Tel: 0171 272 5469
0171 272 5469

Idyllic Italy
The complete collection of villas, castles, chateaux, apartments, villas & hotels
Tel: 0161 707 8795
24 HOURS

GERMANY
Daily low cost flights and hotel accommodation. All major cities. German Travel Centre 0181 429 2900
ASTA 90005 ATOL 2517 IATA

MOONSHIRE TOURS ASTA 1198 ATOL 2809
ASTA 1198 ATOL 2809
ASTA 1198 ATOL 2809
ASTA 1198 ATOL 2809

ANCIENT RUSSIA and its Waterways

A visit to Russia for the genuine traveller is one of life's great experiences. So many just dip their toes in the water with a brief visit to Moscow or St Petersburg which is interesting enough in its own way. However, for a comprehensive experience, there is nothing like a two week trip which includes both Moscow and St Petersburg, together with the cities of the Golden Ring and the delights of the changeless Russian countryside.

With three days in both Moscow and St Petersburg there is plenty of time to explore the sights. The remaining eight days are spent journeying between the two cities on an intimate pattern of connecting rivers, canals and lakes which will take us through a rolling landscape, dotted with farms, villages and towns, their rooftops often dominated by esotically shaped onion-domed churches.

Our exploration of ancient Russia will introduce us to the magical Golden Ring cities of Holy Russia which still preserve their medieval kremlins, fortified monasteries and beautiful cathedrals and churches. In the great forests of Kareliya we will encounter the vast lakes of Ladoga and Onega and experience the tranquil and timeless quality of the Russian countryside.

MS LENIN & MS LITVENOV
The ideal way to explore Russia is aboard a comfortable river vessel. Apart from the obvious convenience of having a moving hotel and thereby avoiding packing, long coach journeys and infamous domestic flights, your river ship affords an excellent means for seeing much more of Russia than would be the case by other methods of transport. Sailing past villages and towns, many of which were important trading posts in the Middle Ages, you are able to observe riverside life and from an often central mooring position, explore the port of call.

These large modern vessels were specially designed for the Russian waterways and each accommodates up to 260 passengers in 'outside' cabins with private shower and toilet. The vessels are under a long term charter to an American company who are responsible for the day to day operation of the vessel. This is an important consideration when selecting your vessel as our ships are only marketed in English speaking countries and consequently English is the language used onboard, unlike many other vessels which are multi-lingual.

The public areas include lounges, bars, dining room, hairdressers, shop, clinic, and spacious deck areas for relaxation and observation. The vessels are air-conditioned throughout and offer a good level of comfort. The meals on board are prepared for western taste, but also include some traditional Russian dishes.

Prices per person sharing a twin bedded cabin range from £1205 and from £1795 for sole occupancy of a double cabin.

Price includes: Scheduled air travel, 14 nights cruise on full board, excursions, entrance fees (except in the cathedrals in the Moscow Kremlin), transportation, local guides, UK departure tax, airport taxes, guest lecturer, cruise director and tour manager.

Not including: Travel insurance, Russian visa, optional excursions, tips to crew.

FOR FURTHER DETAILS
Please telephone 0171-409 2370
17 CANAL STREET, LONDON, W1P 5EP

NOBLE CALEDONIA LIMITED
11 CHARLES STREET, MANCHESTER, M1 4LE
TELEPHONE 0161 409 0170, FACSIMILE 0161 409 0834
24 HOUR BROKERS ADVISORY 0171 555 1434
ATOL 2166

GERMANY
Daily low cost flights and hotel accommodation. All major cities. German Travel Centre 0181 429 2900
ASTA 90005 ATOL 2517 IATA

SPECIAL INTEREST
JORDAN & SYRIA: Chautour three days for singles, couples, small groups. Go at your own pace. Fr. £236pp inc. fl. car, tour, Call Royal Holidays (10hrs + experience) for broch 01353 777950
ATOL 2990 AUTO

ITALY
TUSCANY & THE AMALFI COAST: Villas, farmhouses & apartments, many with pools, most staffed. Tuscany, Umbria, Positano & Capri, Rome, Florence, Venice. The best properties are in the Italian Riviera's colour book. Telephone: 0171 585 3235

BALEARICS
BEAUTIFUL VILLAS with pools in Ibiza & Mallorca, in unspoilt locations, most staffed. The best properties are in the Spanish Riviera's colour book. Telephone: 0171 585 3235

TRAVEL

The Grand Hotel

Scent of truffles and old money

Giles MacDonogh savours the Paris Crillon, in the first of a new series

They do not come much grander than the Crillon, with its majestic facade by the great 18th century architect Jacques-Ange Gabriel on the Place de la Concorde in Paris. The square was built to show off a fine equestrian statue of the louching king Louis XV, which was unveiled in 1763. A few days later a placard was found hanging round the horse's neck: "Virtue walks slaphop," it said, "while vice rides a charger."

It was a bad omen for the French monarchy. Anyone staying at the hotel on January 21 1793 would have witnessed the decapitation of the libertine king's grandson Louis XVI. The guillotine claimed a total of 1,119 lives on the square, including such illustrious heads as Charlotte Corday, Marie-Antoinette, Louis XV's former mistress, the Countess du Barry, Danton and Robespierre.

The Crillon was not a hotel then. It was the town palace of the dukes of Crillon. It was not until 1909 that it was finally recreated as a palace hotel. From that time dates the interior: the profusion of multi-coloured marble in the foyer; the winter garden with its lovely Baccarat elephant; the dining-room, a little hall of mirrors which occupies the site of the former ducal ballroom - note the delightful genre paintings beneath the cornices;

or its sumptuous salons, as often as not inhabited by itinerant heads of state. It may smell of money, but it is generally old money, not new. The rooms reflect this, they are ever so slightly dowdy in the main, but you would not want them to forsake their floral counterpane or the neo-Louis XV chairs for fear that something far worse were installed.

The basic double room is quite small. The "luxury-double" is a better bet. Mine made clever use of mirrors to create vistas in and out of the marble bathroom, or out on to the American Embassy in the rue Boissy-d'Anglas below. Of course there are the fabulous salons and suites as well. These have enjoyed the favours not only of the leaders of the western world, but also of the countless shady potentates who have taken their gilded begging bowls to the Quai d'Orsay in pursuit of aid.

The best of them look out over the Place de la Concorde: the salon Marie-Antoinette, the salon des Aigles, or the Duc de Crillon suite. One of the nicest I have seen was the Leonard Bernstein suite which is hidden behind the parapet above the pediment on the main facade. The rooms lack the slightly stuffy formality of those downstairs, and there is a roof terrace offering spectacular views across to the Invalides on the *rive gauche*.



The Crillon: not only one of the few dozen ports of call for the well-heeled jet-set, it is also a well-loved Parisian institution

The Crillon is not just one of the few dozen ports of call for the well-heeled jet-set, it is also a well-loved Parisian institution. The rag-trade of Faubourg-St-Honore congregates in the hotel's second restaurant, l'Obelisque, for lunch; and the plush hotel bar used to be a magnet for politicians looking to leak a story.

The main restaurant is called Les Ambassadeurs. It forms one of the three grandest dining rooms in the city, with the Meurice and the Ritz. The hotel has always taken care that it is not just the eye that is pleased at Les Ambassadeurs. Until recently Christian Constant enjoyed the reputation of being the best hotel chef in Paris. A year ago he left to start his own restaurant in the *Villon d'Orsay*.

The kitchens with their brigade

of 50 are now run by Dominique Bouchet, who came with an excellent pedigree. He had worked alongside Joël Robuchon for six years at Jamin, and started the Tour d'Argent's operation in Tokyo, before running his own place Le Moulin de Marcou in the Charente, where he had a couple of Michelin stars.

Like other top Parisian chefs, Bouchet wants to combine classicism with invention, using the old recipes from time to time, but in a severely stripped down form, considered more suitable for our age. In this, he is backed by his excellent *chef-pâtissier* Christophe Felder, who has earned a well justified reputation for his reinterpretation of some of the classics of the repertoire.

It was Felder's work which opened the batting at the meal I

enjoyed at the Crillon at the end of January: a tiny spinach pie. The bread was just that, bread: excellent rolls offered at different degrees of cooking: no sillies stuffed with nuts, dates or sundried tomatoes.

It was the season, and there was a little salad of truffles and lamb's lettuce. Bouchet showed his hand with the next dish: scallops on a buttery *fondue* of chicory and orange juice, which was quite sublime.

The next dish was a legacy from Christian Constant's time: an extremely rich and delicious construction of lobster, cream, small Ratte potatoes, caviar and trout eggs: with a few slices of truffle for good measure. It left little space for the next fish course, a fillet of turbot with capers, cream and veal stock.

Now meat made its appearance. The crunchy cake of suckling pig (again strewn with truffles) with its *fondant* potato was a triumph. It was succeeded by a classic, the *gigot des sept heures*, very slow cooked lamb with a light potato purée.

Two puddings finished both me and the meal off. The first was another of Constant's legacies: an iced chocolate and thyme truffle with crystallised violets. I preferred it to a banana dish with a fashionable butter and almond crumble. Bouchet uses the German word *Spruzel*, but the form will be familiar to every English housewife, too.

The wine list is naturally a repository of virtually every great vintage of claret and burgundy imaginable, and at a price that would make you quake, but

there are bargains in the champagne department, and the sommelier is happy to direct you to his discoveries: a late picked Sancerre from Lucien Crochet; a white 1990 Châteauneuf from Château Rayas; a 1993 Cornas from Jean-Luc Colombo etc; and the 1978 Domaine des Boignières armagnac which I gratefully downed at the end of the meal. Otherwise, I might have expired only metres away from Marie-Antoinette et al, albeit with a smile on my face.

■ *Hôtel du Crillon, 10 Place de la Concorde, Paris 75008. Tel: 01 44 71 15 00. Menu FRF340 and FRF640, à la carte FRF650 before wine. Rooms from FRF2,950. Dominique Bouchet is cooking at the Lanesborough, London, from February 21 to March 7. Call 0171-259 5599 for reservations.*

Spires and spirits

A light shining for centuries

Adrian Gardiner visits St Mary's, Haddington

Few churches have a more beautiful setting. A serene river with drifting swans flows under a medieval stone bridge. The Pleasance, parkland of stately trees, leads to an immaculately-kept graveyard. The centrepiece is a Norman building of red sandstone and grey granite. Pause and look up. The exterior has one of the best collections of gargoyles in Britain. Some are badly weathered, but you can make out a pig, dog, fox, goose, squirrel, and a man playing the bagpipes.

The "Lamp of Lothian" has been shining for 74 centuries, frequently flickering in the turbulence of history. Haddington lies on the main route from Edinburgh to England. The original church, built by Franciscan Grey Friars who arrived in

Scotland after the death of St Francis of Assisi, was destroyed by English armies in 1366.

Rebuilt, it was torched again in 1548 during the "Rough Wooing". Henry VIII wanted the young Mary Queen of Scots, to marry his son Edward. The Scots, seeking political alliance with France, would have none of it. Henry took his revenge on church and town.

The choir and transepts remained roofless until the 1970s when a trust rescued the largest parish church in Scotland with fund-raising concerts. Replacement stone came from the demolished Caledonian railway station in Edinburgh, while the roof vaulting was restored by Lowestoft boat builders with glass fibre.

The main entrance, double west doors, is surrounded by

medieval stone carvings of Christ's heart and symbols of the Passion and Crucifixion. Masons' marks and more carvings are inside.

One of 12 pillars, the Judas pillar, is undecorated. A goat, the town symbol, munches grapes on the east wall. There are two Green Men, and five more outside. A carved scallop shell commemorates 15th and 16th century pilgrims to Santiago de Compostela in Spain, who wore shells in their hats and used them as receptacles for food and drink.

Jane Welsh Carlyle, wife of Thomas, the sage of Chelsea, is buried in St Mary's. Her birthplace, 10 minutes' walk away, is perhaps the smallest museum in Britain. Her letters show that she was the better writer but the times were not kind to women writers.



Winter at the medieval Nungate Bridge: it was described as 'the old bridge' in 1282

Most of the stained glass is pre-Raphaelite or early Edwardian. A Burne-Jones window commemorates the Reverend John Brown (1723-87). He was what the Scots call a "lad o' pairts" - a farmhand who taught himself Latin, Greek and Hebrew and became a minister, writer and teacher.

The 1970s restoration inspired interest in semi-detached buildings nearby. The Poldrate Mill and Granary found new life as an arts centre. Haddington House on Sidegate is

thought to be the oldest inhabited building in the town. Its 17th century garden, which has a connecting gate with St Mary's churchyard, has been faithfully restored.

Herbs and plants are labelled with quotations from physicians of the day. Lavender Cotton, we are told, "being drunk in wine, is a good medicine against the poisons of all serpents and venomous (sic) beasts", while figs "ripen the legume, causing the same to be easily spit out".

Haddington's medieval origins survive in fragments of town wall, streets named Sidegate and Hardgate, and the Nungate Bridge, from which criminals were hanged. Most of the 400 listed buildings are Georgian.

William Adams's Town House of 1749 stands on the apex of High and Market Streets and, as St Mary's bells were removed to Durham and melted down in 1542, the Town House bell announces church on Sundays and still sounds the

Information

- St Mary's Haddington is open from Easter to October, 10am to 4pm daily; Sundays 1pm to 4pm
- The Jane Welsh Carlyle museum off Lodge Street is open Tues, Thurs and Sat, afternoons only.
- Accommodation: in addition to 17 golf courses, the county has a clutch of luxury hotels where B&B is around £150 per night: Green Craigs at Aberlady (01875-670301) and Johnstone House near Humber (01875-833696).
- The Tweeddale Arms, Gifford, (01820-510240) is an historic, family-run hotel; double room £55. The George Hotel, Haddington, is expected to reopen for business this spring.
- Eating Out: Jim Findlay's Waterside Bistro, in a beautiful setting near St Mary's, offers good value for money (01820-825574). Further upstream, near the restored Poldrate Mill, Poldrate's (01820-825582) is more formal. At nearby Gullane, La Poldrate (01820-843214) is one of the best restaurants in Britain - so book well in advance.

curfew on weekdays. The George Hotel, described in Deane's Tour as the "best inn in Scotland" - competition was not severe - was, in his day, the first night's stagecoach stopover on the eight-day journey from Edinburgh to London.

Like other historic towns in Britain, Haddington has suffered the ravages of charity shops and estate agents. But although the markets authorised by James V in 1542 have gone, the town bustles with specialist shops: antique dealers, art and craft

galleries, and Main's the Saddlery where you step into a Dickensian emporium. Among the waxed jackets and carriage bags, galvanised buckets and nails by the pound, you are reminded that this is a traditional county town.

Fertile farmland surrounds the Lamp, countryside which has changed little since Robert Burns described it, 200 years ago, as "the most glorious corn country I ever saw". Meanwhile, the Lamp shines on.

Georgia on my mind

Stewart Dalby boldly goes where few tourists have gone before

It is good to be a pioneer, if only as a tourist. The Republic of Georgia, in a remote corner of Eastern Europe, was entombed in the Soviet Empire for 70 years, and closed to most visitors, apart from other citizens of the Soviet Union, usually Russians. Independence in 1990 was followed by civil wars among mafia and breakaway groups. Suffice it to say that, until recently, the landlocked country of 5m people was hardly the place for a relaxing break.

Ethnic conflict in Abkhazia is still to be resolved fully, making this area of the Black Sea a no-go area for Western tourists. Visitors are beginning to trickle through to the rest of the country, although the assassination attempt on Georgian President Eduard Shevardnadze this week may well dissuade even the most adventurous traveller.

Saba Kiknadze, general manager of Caucasus Travel, estimates that there were 70

visitors from the UK in 1996 and that could double this year. Georgia was never short of visitors in the past, but most were unwelcome. Trapped between what are now Russia, Turkey and Iran, Georgia has been invaded and sacked by Mongols, Persians and Ottoman Turks - among others.

The invaders left their imprints. The Russians, in particular, left some undistinguished apartment blocks and other eyesores, but Georgians have maintained their distinct culture and identity and are remarkably hospitable.

Writers such as Dumas and Pushkin lauded the friendliness of the people. Earlier this century, Negley Farson, the noted traveller-writer, who crossed the Caucasus on horseback, wrote in praise of the sublime beauty of the mountains and the tribal peoples in the book *Caucasian Journey*.

There is only one first-class hotel, the Metekhi Palace, and because it has a virtual monopoly, it charges high prices. It is possible to stay in guesthouses where you become part of a family with full board. But these too are expensive.

The old Soviet hotels, the Iveria and Adjara, are mostly full of refugees hanging their washing out, and using up the limited supply of electricity. There is a jazz club in the basement of the Adjara, but you cannot depend on the lights remaining on.

You would probably not want to take a taxi because most Georgians speak no known language including Russian. Theodor Kibak, the general manager of the Metekhi Palace, is an accomplished linguist who says he wouldn't begin to learn Georgian.

The first-time visitor needs minding for the simplest tasks. But the lack of the familiar handrails of mass tourism is part of the charm. Rustaveli Boulevard, the main strip, will doubtless soon be full of bars with juke boxes, pizza and hamburger joints but, for now, it just has some tea shops and bookshops. Fine old mock Gothic buildings remind me - a little - of Prague.

Georgia is a land of stunning scenery, architectural treasures, monasteries on mountainsides and the like. The first gem is Tbilisi. The town rises from the Kura River as it winds towards the East Georgian hills. The 13th century Metekhi church gives most visitors the first



A busy market for adventurous travellers

glimpse of Georgian religious architecture. It is a stark sight of red brick and stone towering above sheer cliffs which go straight down to the river. Opposite the cathedral is the Old Town, an area of cobbled streets and red-roofed houses with wooden balconies.

Opposite Metekhi Church are the hot sulphur springs which gave the town its name. Above these is the Narikala fortress. Narikala was originally built by the Persians in the fourth cen-

tury to oppose the Georgian kings in their riverside capital, Mtskheta, 20km away. A century after it was built, in 454 AD, Georgia's King Vakhtang Gorgasah captured it and Tbilisi has been the capital ever since.

It takes half an hour to drive to Mtskheta and is worth the effort. The perfectly preserved Jvari monastery is half fortress, half cathedral and dominates the Mtskheta skyline. The road to Gaudari, the ski resort takes considerably longer.

The Great Military highway, which ends up in Russia, is pot-holed and bumpy. It is a good seven hours drive to reach Gaudari; a crowd could probably do it in two or three.

You don't know what to expect in Gaudari. But the Sports Hotel which, like the Metekhi Palace, is owned by the Austrian Marco Polo Group, is a bit of a shock. From a distance, it looks like a futuristic spaceship. There are six bars, a shopping mall, an indoor swimming

pool, gym, two bowling alleys and two snooker tables. There are satellite telephones.

It is all in stark contrast to the cheerfully down-at-heel villages you pass through to get there. In winter it is a haven for serious skiers from Austria, Switzerland and Germany.

It is the famed hospitality and friendliness of the people which is the real attraction of Georgia. You may not be able to get a hotel room but there is no shortage of food.

The Georgian table is famous. There is grilled sturgeon, pork shashlik with pomegranates, subergines, walnuts, mushrooms and the largest tomatoes I have ever seen. Georgia is also known as a wine producer.

At dinner with some folk singers everyone had to make a toast after each song. Then more toasts, more songs and more food. Goodness knows how they managed to stay in tune. But they did. The singing was wonderful.

■ Stewart Dalby flew to Tbilisi with British Airways, which flies from London three times a week. Tel: 0345-222111.

SPORT

Football

Where your flutter lasts a season, not a minute

Michael Thompson-Noel explains why he gave up the horses and switched to betting on soccer

I do not bet on horses any more. I used to enjoy it, even though money was regularly, sometimes painfully, transferred from my innocent pocket to the bookmakers' vaults.

These notorious repositories, as big as pyramids, contain vast quantities of cash, plus the dedicated remains of many hapless punters.

I have stopped betting on horses in favour of betting on soccer. My abandonment of the horses has nothing to do with the latest allegations of doping and race-fixing that have shaken the sport in Britain. Nor is it related to UK racing's pitiful appeals for ever-greater subsidies with which to prop itself up. UK horse racing is a bloated, greedy, ill-run sport. Those are its problems - not, as it imagines, insufficient prize money.

I have switched to soccer because of the deep attractions of soccer betting itself, plus the spellbinding vitality the game has demonstrated in recent years.

Soccer's status as the world's most popular sport - a significant component of the global entertainment business - is unchallenged. And its future may be brighter than its recent past, given digital television and the likelihood of many extra hours of soccer-rich sports programming being pumped into our homes.

It is strikingly difficult to win money on horses. There are too many imponderables. Too much can go wrong. Some people claim to make a living at horse betting, but generally they are deluding themselves.

In 1994 I asked Robert Sangster whether he was a successful horse bettor. Sangster, a multi-millionaire, has bought, bred and owned hundreds of expensive racehorses, some of which became champions, and is an expert on the international gambling business, especially football pool-betting, lotteries and horse betting.

"I show a profit once in three years," he told me. "I could make a profit every year, but I'd be very boring about it. I would probably only have five bets in the year, and only two would win, but I would show a great profit."

However, very few people have access to the inside information Sangster does. With soccer betting, useful inside information is practically non-existent, unless you are sleeping with a bent referee or player who takes bribes to throw games, or with the person - archetypically a "foreigner", an exotic Mr Big - who is bribing them. Not very likely.

There are similarities between soccer and horse betting. But it is the dissimilarities that lead me to think it is much easier to win on soccer than on the horses.

I do not bet on the football pools (a form of lottery), nor on individual soccer matches: the odds are too

cramped. I bet on the competitions themselves - league or cup - most of which last an entire season. The English Premiership, for example, runs from August to May, whereas a horse race lasts only a minute or two.

Because most soccer competitions run for months, money management skills - how you deploy your stake-money, and how well you time your bets - are exceptionally important. You need to study your teams (and their most threatening rivals) in great detail: to remember how injuries, suspensions and transfers can affect your calculations; and to have a firm grasp of betting tactics and strategy.

If you are betting on a competition that lasts months, you must be capable of peering ahead. If you cannot do that, you cannot judge whether the latest odds offered by the book-

makers represent genuine value or not.

Take the English Premiership. From last August until shortly before Christmas, I backed Manchester United to win the title at odds ranging from nearly 2-1 to almost even-money, and am glad that I did, even though their recent Premiership form has been extremely shaky. At the same time, I have backed Blackburn each-way (to finish in the top three) at 33-1 and 25-1. If Blackburn finish second or third, I will receive a quarter (or, in one case, a fifth) of those odds. If Blackburn win, I will be rolling in money.

Let us say I have been betting in £10 units. (That is a considerable understatement, but no matter.) If Man U retain their Premiership title, and Blackburn finish second or third, I will show an overall net profit (allowing for several losing bets on Leicester and one, incredibly, on Spurs, of 37.7 units (\$377), having paid an irrecoverable £33 in betting tax. As things stand, I do not plan to increase my stakes. But the Premiership race seems to be opening out a bit: the market is heating up again. On January 31, Man U were quoted at a best-available 2-9 (stake £9 to win £2: not worth considering). Blackburn were 20-1, Liverpool 8-1, Chelsea 18-1 and Arsenal 25-1.

Hours later, Man U had been beaten at home by Leicester. Blackburn had drawn at Liverpool, and Chelsea and Arsenal had won at home. There were some real shocks last week.

Along with a reported 22,000 other Japanese, he had volunteered to help at the games in a burst of patriotic pride - and for the chance to glimpse the first winter Olympics held in Asia since 1972. But on Sunday morning he had been drafted into the blizzard-fighting job. After spending \$13m on staging the events - and throwing all their high-tech might at it - the Japanese organisers were not about to be beaten by a snowstorm.

First, hundreds of volunteers were ordered to remove the loose snow from the course. Then the army was handed shovels. Finally all local ski-instructors were summoned. By Monday afternoon, snow-clearers were swarming on the 2km slope like multi-coloured ants. But the pow-

end, so by last Monday the revised odds were: 2-5 Man U (still far too cramped), 8-1 Liverpool, 10-1 Arsenal, and 16-1 Chelsea and Blackburn. Having already backed Man U at average odds of 6-4, and Blackburn at an average of 28-1, I am content, for now, to sit on my hands.

It is essential to discover which bookmaker is offering the best odds. Last Monday, for example, the Premiership odds quoted by Britain's Big Three bookmaking firms (Ladbrokes, Coral, William Hill) showed marked differences, as they often do. Chelsea's odds ranged from 12-1 at Coral and Ladbrokes to 18-1 at Hill; Blackburn's from 10-1 at Ladbrokes to 16-1 at Coral. If you had wanted to bet Blackburn to win the title following the results of February 7-8, you would have been made to have done so at Ladbrokes rather than Coral. The blunder would have cost you a potential six units of profit.

The Sporting Life and Racing Post often publish comparative tables of odds, usually on days when a full roster of matches is scheduled; or you can find some of the information on the Internet or from Teletext, Bloomberg and Reuters.

In the European Cup, I have been backing Bayern Munich and Monaco, the former at 12-1, 9-1 and 7-1-1, the latter, who play Man U in the quarter-finals, at 25-1. In the English FA Cup I have so far supported Blackburn, Coventry and Leeds.

And I have backed Kevin Gallacher and Chris Sutton, both of Blackburn, in the race to finish top English Premiership scorer of the season. Sutton at 8-1, Gallacher at 40-1, 33-1 and 10-1. At present they are joint leaders with 13 Premiership goals apiece, pursued by (among others) Man U's Andy Cole.

One of the attractions of full-season soccer betting is that a strategy can be followed that incorporates a range of insurance (or hedge) bets should your original selections go wrong. Yet saver-bets can drain away a lot of capital. Extreme caution is essential. You cannot bet on every team in sight.

Most people who bet on soccer are fans. They bet on teams they support. This puts them at a profound disadvantage when competing against wily, well capitalised, neutral value-bettors who know how to manage their stake money over many months and have thought hard about hedge strategies. I am not a fan. I like soccer enormously, but I am not emotionally involved with specific teams. I enjoy watching games, but what I really, really want is to win a lot of money.

I am going along all right. This season I hope to show a soccer profit of at least 150 per cent on capital employed. No professional gambler would sniff at such a return.

If I get into trouble, I'll simply ring Mr Big.



Premiership pace-setters: so far, Chris Sutton (top) and Kevin Gallacher, both of Blackburn, have scored 13 league goals apiece. The top-scorer market is specialised and volatile, but a weight of clever money is riding on the Blackburn duo's shoulders

Law

Taking the rulebook to court

Jurek Martin on the imminent outcome of two sports cases

These days it seems few Americans do not have a lawyer. Lowly White House interns have teams of them, so do stewards, secretaries and anyone else who may ever have stepped inside the president's house and then been hauled in front of a grand jury.

It follows logically, therefore, that sports and the law should be inextricably intertwined. In 1923, the US Supreme Court declared baseball exempt from anti-trust regulations. In 1976, it ruled in favour of player free-agency, revolutionising all sports. Courts may rule on the permissible number of dimples on a golf ball and grooves on a club. Legal arbitrators are routinely called in to adjudicate on everything from salaries to strikes.

There are two current legal proceedings of more than usual interest to the world of sports. Both challenge the right of sporting authorities to set the rules by which a game is played and the codes of conduct that govern its players - and neither is an open-and-shut case.

Casey Martin is a 25-year-old professional golfer, a former Stanford University teammate of Tiger Woods. He suffers from a rare and severe circulatory disorder which makes it virtually impossible, even dangerous, for him to walk 18 holes. His lawsuit contends that Professional Golf Association rules banning the use of carts in tournaments violates the Americans with Disabilities Act, passed during the George Bush administration, by denying him the opportunity to earn a living in his chosen field.

On Wednesday night, in Oregon, a US judge found in his favour. It is not the end of the matter because the PGA said it would appeal, which is standard procedure. It is clear that Martin is pretty good at his chosen field. Granted temporary permission to use a cart, pending the legal ruling, he just missed qualifying for the regular PGA tour last autumn and then went out and won the opening Nike satellite tournament last month.

Rank-and-file player opinion is sharply divided as to whether he should be granted an exemption from the existing rules - as is that of the sporting pundits - but public sympathy appears much in his corner. Golf's hierarchy, however, is united on the opposite side. The PGA's argument, bolstered by briefs from the European and other international tours, the Ladies PGA and the Masters tournament itself, states that Martin would be given an unfair advantage by using a cart on the grounds that an essential element of athleticism in the sport would be nullified.

This contention has been greeted with a degree of public ridicule since many of the finest golfers, whatever their undoubted mental toughness and technical skills, do not appear very athletic in comparison with

other sporting professionals. Indeed, some tournaments on the US senior tour do allow golfers to ride.

Golfing icons such as Jack Nicklaus, once known as the "fat kid", and Arnold Palmer have given videotaped testimony supporting the PGA position. So, most tellingly, did Ken Venturi, who won the 1964 US Open in much physical distress after playing the final day in blistering Washington heat and humidity.

Rules are rules, they say, and they may have a point: what, for example, if Jose Maria Olazabal's bad feet had acted up in the middle of last year's Ryder Cup? Should he, in golfing parlance, have been permitted relief?

But the nub of the issue is whether the rules of golf are above the law of this very particular land. This is not the first time the two have been in collision. Countless country clubs have been obliged to dismantle, under legal duress, discriminatory membership practices against blacks, Jews and women.

Discriminating against

Rules are rules, say Jack Nicklaus and Arnold Palmer, and they may have a point

Martin, arguably a special case and a sympathetic personality, might also not go down well in the court of public opinion.

The second case, in front of an arbitrator, involves Lattrell Sprewell, the basketball player who tried to throttle, then slugged, his coach last December. His team tore up his \$32m four-year contract, costing him about \$2m, and the National Basketball Association suspended him for a full year, the stiffest punishment ever for a non-narcotics offence.

Sprewell is appealing the severity of the sanctions. Arguments are being heard in camera, and there have been no carefully orchestrated leaks of the proceedings, as is standard procedure in political Washington's playing field.

Several of Sprewell's fellow players have spoken up for him, while both his club and the NBA have defended their right to pass sentence on what they see not merely as egregious behaviour but, since it constituted "moral turpitude", as clear breach of contract by the player.

An arbitrator, as in the Sprewell case, seeks a practical solution. If one exists, but Martin's judge must take on board the full weight of the law, subject to appeal to higher courts, possibly establishing a far-reaching precedent.

It is not surprising that both are being watched more closely in America than short-track speedskating in the Japanese Alps.

Gillian Tett

Winter Olympics

Battling for Japan with a shovel

In normal life, Takeda, a cheery 46-year-old, earns a living as a policeman in Tokyo. Last week he turned his hand to a more historic task - shovelling snow for his country and the Olympic ideal.

For as the 1998 Winter Games opened in Japan last weekend, amid eye-popping gizmos and ceremonies, there was one thing not even Japanese technology could control - the weather.

A mere half hour before the glamorous men's downhill race was due to open, a blizzard hit the quaint and remote ski resort of Hakuba which is staging the event. The race was delayed until the course could be made sufficiently icy again. And then delayed - again, and again.

"It's a great pity," declared Takeda when I met him on the Monday afternoon in a gondola lift. He was kitted out in the official Olympic uniform, grey and biodegradable. He refused to give his first name "because I have never spoken to a foreign woman before".

Along with a reported 22,000 other Japanese, he had volunteered to help at the games in a burst of patriotic pride - and for the chance to glimpse the first winter Olympics held in Asia since 1972. But on Sunday morning he had been drafted into the blizzard-fighting job. After spending \$13m on staging the events - and throwing all their high-tech might at it - the Japanese organisers were not about to be beaten by a snowstorm.

First, hundreds of volunteers were ordered to remove the loose snow from the course. Then the army was handed shovels. Finally all local ski-instructors were summoned. By Monday afternoon, snow-clearers were swarming on the 2km slope like multi-coloured ants. But the pow-

dery inches kept piling up as quickly as they were removed.

Down in the village of Hakuba, the Olympic hopefuls were philosophical. "It's snow, isn't it?" happens," shrugged Didier Cuche, one of Switzerland's top male skiers, as he sat in a bar run by the Salomon skiwear company. The club had become the trendiest night spot in town, perhaps because it kept attracting heartthrob French ski racer Jean-Luc Chrétien and a bevy of beefy Scandinavian skiers.

But for the Olympic organisers it seemed a particularly bitter blow. In 1993, the World Cup at the Japanese town of Morioka-Shirakushi was effectively scrapped because there was not enough snow.

Last month Hakuba officials

went to local shrines to pray that a similar snow shortage would not happen again. And as the Games have got under way, one thing has become painfully clear - staging a successful event has become nothing less than crucial to restoring Japan's badly battered national morale.

Weather aside, Japan could so far point to notable successes. The opening ceremony, for example, was a triumph, incorporating the mixture of high-technology, kitsch and Zen-like simple symbols that dominate life in Japan.

The logistics have also been effective. The heavy Japanese bureaucracy is certainly there to watch the cancelled men's down-

hill, for example, spectators in the upper stands needed to queue four times to board special buses and lifts, purchasing a ticket on each leg of the journey.

But it has generally paid off. There have been traffic jams, but unlike the 1996 summer Games in Atlanta, none of the buses have lost their way. Local Japanese have obeyed government orders to smile at the onslaught of foreigners.

Every sport that did not depend on the weather has passed without a hitch. In the Luge, the German Georg Hackl won a third consecutive gold. A series of speed-skating records were broken by Dutch competitors wielding new high-tech skates.

Figure-skating attracted mil-

lions of viewers. And though many of the skating pairs tumbled on the ice, local Japanese television channels were far too polite to include the episodes in their replays.

Women's ice hockey marked its debut at the Olympics - although to Japan's embarrassment its team was thrashed 13-0 by Canada and 11-1 by Finland. And the first Olympic snowboarding event took place - although a bitter controversy then erupted when the winner of the men's race, Canadian Ross Rebagliati, was told he would be stripped of his medal for testing positive for marijuana, and then had his victory dramatically reinstated.

And in Hakuba there were moments of consolation. On Wednesday the blizzard momen-

tarily stopped. The men's combined slalom, which does not require such perfect snow conditions, was held. A women's super-G also took place. And the snowboarders duly dashed back on to the downhill course yet again to clear away the previous day's snow, amid pledges that the race would finally take place on Thursday. But then disaster struck. On Thursday the blizzard was replaced by a far rarer and more disastrous problem - driving rain.

The organisers apologised with Japanese fervour. "The weather will improve. Definitely," one official said, forecasting brilliant sunshine to arrive soon - and insisting that it was still possible to squeeze in the delayed races in the remaining Olympic week. He may be right. But if not, the desperate organisers could be praying to the weather gods again. And in the meantime Takeda is standing by with his plastic shovel - and an umbrella.

Gillian Tett

هكسامين النهر

INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

OPERA
Netherlands Opera, Het Muziektheater
Tel: 31-20-551 8911
Die Walküre: by Wagner. New production conducted by Hartmut Haenchen in a staging by Pierre Audi; Feb 15, 18

BARCELONA

EXHIBITIONS
Fundació Joan Miró
Tel: 34-3-329 1908
www.bcn.fjmiró.es
● Alexander Calder: centenary celebration of work by the maker of mobiles. The show focuses on his close relationship with Miró; ends on Sunday
● Liza Lou: The Back Yard. Installation by the American artist, which critically recreates the typical American garden; to Mar 15

Museu Picasso
Tel: 34-3-318 6310
Egon Schiele: The Leopold Collection. 152 paintings and drawings on loan from the largest private collection of Schiele's work in the world. Produced during the period 1905-1918, this group of works is representative of the brief, bold career of the Viennese Expressionist and innovator; from Tuesday until May 31.

BERLIN

CONCERTS
Philharmonie
Tel: 49-30-2548 6354
Berlin Philharmonic Orchestra: conducted by Sir Simon Rattle in works by Berio and Mahler; Feb 19, 20

DANCE
Staatsoper unter den Linden
Tel: 49-30-2035 4555
www.staatsoper-berlin.org
Swan Lake: new staging by Patrice Babi, with designs by Luisa Spinatelli; Feb 14

OPERA
Staatsoper unter den Linden
Tel: 49-30-2035 4555
www.staatsoper-berlin.org
Falstaff: by Verdi. New production conducted by Claudio Abbado in a staging by Jonathan Miller. Ruggero Raimondi sings the title role; Feb 15, 18

CHICAGO

CONCERTS
Orchestra Hall
Tel: 1-312-294-3000
www.chicagosymphony.org
● Chicago Symphony Orchestra: world premiere of Ramin's Elegy, conducted by Daniel Barenboim. The programme also includes works by Berg and Beethoven. With piano soloist Peter Serkin and violinist Pamela Frank; Feb 14
● Chicago Symphony Orchestra: conducted by Zubin Mehta in works by Wagner, Hindemith and Brahms. With piano soloist Daniel Barenboim; Feb 18
● Chicago Symphony Orchestra: conducted by Daniel Barenboim in works by Beethoven; Feb 19
● Chicago Symphony Orchestra: conducted by Zubin Mehta in works by Wagner, Hindemith and Brahms. With piano soloist Daniel Barenboim; Feb 20

EXHIBITIONS
Art Institute of Chicago
Tel: 1-312-443 3800
www.artic.edu
Baule: African Art/Western Eyes. The first ever major museum show of Baule art comprises around 125 works produced by this West African people. Ranges from wooden sculptures and masks to pottery and textiles; from today until May 10

CLEVELAND

EXHIBITIONS
Cleveland Museum of Art
Tel: 1-216-421 7340
www.clemusart.com
Vatican Treasures: Early Christian, Renaissance and Baroque Art from the Papal Collections. Selection of 39 manuscripts, reliquaries, paintings and sculptures. Highlights include the gem-encrusted Cross of Justin II and Caravaggio's masterpiece The Entombment of Christ; to Apr 12

COPENHAGEN

EXHIBITIONS
Louisiana Museum of Modern Art, Humlebaek
Tel: 45-4319 0719
www.louisiana.dk
Francis Bacon: the first major retrospective of Bacon to be mounted in Scandinavia will include loans from around the world; to Apr 26

DUBLIN

EXHIBITIONS
National Gallery of Ireland
Tel: 353-1-661 5133
The Irish Architectural Archive: 50 works selected from the archive, including designs for houses, churches and civic buildings by architects including James Gandon and Raymond McGrath; to May 10

EDINBURGH

EXHIBITIONS
National Gallery of Scotland
Tel: 44-131-624 6200
Discovering the Italian Baroque: The Denise Mahon Collection. 17th and 18th century works by Italian painters including Guercino; ends tomorrow
Scottish National Gallery of Modern Art
Tel: 44-131-624 6200



'Marzella', 1909-10, by Ernst Ludwig Kirchner, one of the paintings on display in the Modern Museum in Stockholm, reopening today

William MacTaggart (1903-1981): retrospective of the Edinburgh modernist. Includes around 50 paintings, watercolours and drawings, the majority borrowed from private collections and seldom exhibited; from today until May 10

GENEVA

CONCERTS
Victoria Hall
Tel: 41-22-317 0017
Orchestra de la Suisse Romande: conducted by Fabio Luisi in the Swiss premiere of Beat Furrer's Nuun, with pianists Mayumi Kameda and Jean-Jacques Ballet. The programme also includes works by Debussy and Berlioz; Feb 18

GLASGOW

OPERA
Theatre Royal
Tel: 44-141-332 9000
Scottish Opera: Così fan tutte: by Mozart. New production by Stewart Laing, conducted by Nicholas McGegan; Feb 14, 17, 19

HELSINKI

OPERA
Finnish National Opera
Tel: 358-9-4030 2211
● Come back, Gabriel: world premiere of Ilkka Kuusisto's new work based on the true story of a confidence trickster who preyed on lonely women. Conducted by the composer in a staging by Jussi Tapola, with designs by Anna Kontak; Feb 18
● The Magic Flute: by Mozart. New production by Swedish director Eterne Glaser, designed by Peter Tillberg. Conducted by Okko Kamu; Feb 20

HOUSTON

EXHIBITIONS
Museum of Fine Arts, The Menil Collection and the Contemporary Arts Museum
Tel: 1-713-639 7750
● Robert Rauschenberg: previously seen at the Guggenheim, New York, this major retrospective, here shown in three museums, spans the artist's 50 year career and includes some 400 works; to May 17
● The Body of Christ in the Art of Europe and New Spain, 1150-1800: 75 objects including paintings, sculptures, manuscripts and textiles, which together address the meaning and devotional function of the image of Christ. Artists represented include Bellini, Botticelli, Rubens, Tintoretto and Veronese; to Apr 12

LISBON

OPERA
100 Days Festival, Expo '98
● Kirov Opera: Betrothal in a Monastery, by Prokofiev; Main Auditorium, Centro Cultural de Belém; Feb 15, 16
● Kirov Opera: The Flying Dutchman, by Wagner; Main Auditorium, Centro Cultural de Belém; Feb 19, 20

LONDON

CONCERTS
Barbican Hall
Tel: 44-171-538 8891
London Symphony Orchestra: Metislaw Rostropovich conducts a programme of works by Shostakovich; Feb 19
Wigmore Hall
Tel: 44-171-936 2141

Leif Ove Andness: recital by the pianist of works by Haydn, Liszt, Martin and Beethoven; Feb 17

EXHIBITIONS
Barbican Art Gallery
Tel: 44-171-638 8891
● Shaker: The Art of Craftsmanship. Major exhibition of furniture and decorative arts from Mount Lebanon; to Apr 26
● The Art of the Harley: 30 customised motorcycles provide the centrepiece of this display devoted to the 95 year history of the Harley-Davidson company; to Apr 26

Hayward Gallery
Tel: 44-171-261 0127
www.hayward-gallery.org.uk
● Francis Bacon (1909-1992): The Human Body. Brings together important works involving the human figure dating from 1945 to the mid 1980s, loaned by major collections throughout the world; to Apr 5
● Henri Cartier-Bresson: Europeans. Exploring changes from the 1930s to the 1970s, through the eyes of the photographer; to Apr 5

National Gallery
Tel: 44-171-639 3321
Recognising Van Eyck: bringing together several rare works by the 15th century Netherlandish master alongside other works; to Mar 15

National Portrait Gallery
Tel: 44-171-306 0055
● Bruce Weber: the first major museum retrospective devoted to Weber's portraits, this show includes some 200 prints, of subjects ranging from young Hollywood stars to the Duchess of Devonshire; ends tomorrow
● High Society: Edwardian Photographs. A collection of studio portraits, reprinted from a recently rediscovered cache of original negatives. Subjects include Lloyd George, Winston Churchill and Lillie Langtry; to Jun 21
● Hyenas in Petticoats: Mary Wollstonecraft & Mary Shelley. Celebration of the joint bicentenary of the two women writers. Through portraiture, drawings and manuscripts the display examines their lives, times and writings; ends tomorrow

Royal Academy of Arts
Tel: 44-171-300 8000
Art Treasures of England: The Regional Collections. Display of some 500 paintings, drawings and sculptures which will tell the history of the public collections outside London, from the foundation of the first university museums to the present. Including works by Canaletto, Hogarth, Turner and Francis Bacon, the exhibition will also seek to surprise with the works of less well-known artists; to Apr 13

Tate Gallery
Tel: 44-171-887 8000
● Bonnard (1867-1947): major retrospective focusing on 100 works produced between the 1890s and the 1940s. Includes landscapes, still lifes, a series of nudes depicting Marthe, Bonnard's lifelong companion, and several self-portraits; to May 17, then transferring to New York
● Per Kirkeby (b.1938): paintings, sculptures and a specially constructed brick structure by the Danish artist; to May 28
● Turner on the Loire: selection of watercolours, engravings, and a long lost oil which document the painter's tour of northern France in 1826; ends tomorrow

OPERA
English National Opera, London Coliseum
Tel: 44-171-632 8300
● The Elixir of Love: by Donizetti. New production, directed by Jude Kelly and designed by Robert Jones. The conductor is Michael Lloyd; Feb 14, 19
● Xenex: by Handel. Conducted by Noel Davies in a production by Nicholas Hytner, revived by Emma Jenkins; Feb 20

Shaftesbury Theatre
Tel: 44-171-379 5399
● The Royal Opera: Il barbiere di Siviglia, by Rossini. New production staged by Nigel Lowery. Conducted by Bruno Campanella; Feb 14
● The Royal Opera: Giulio Cesare, by Handel. New production, directed by Lindsay Posner and conducted by Ivor Bolton, with designs by Joanna Parker. Cast includes Amanda Roccoft and Ann Murray; Feb 19

LOS ANGELES

CONCERTS
Dorothy Chandler Pavilion
Tel: 1-213-365 3500
Los Angeles Philharmonic: conducted by Mink Wigglesworth in works by Webern, Mahler, Shostakovich and Strauss. With cello soloist Steven Isserlis; Feb 14, 15

OPERA
L. A. Opera, Dorothy Chandler Pavilion
Tel: 1-213-972 8001
www.laopera.org
The Magic Flute: by Mozart. Revival conducted by Julius Rudel in a staging by Sir Peter Hall; Feb 17, 19

MADRID

EXHIBITIONS
Fundació 'la Caixa'
Tel: 34-1-435 4833
The Photographic Avant-Garde in Spain: previously seen in Barcelona, this exhibition presents a selection of 140 photographs from the period 1925-1945, during which photography underwent a startling renaissance; from Wednesday until Apr 12

MILAN

OPERA
Teatro alla Scala
Tel: 39-2-88791
www.lascaia.milano.it
Die Zauberflöte: by Mozart. Conducted by Riccardo Muti (Paul Connelly on Feb 17, 19) in a staging by Roberto De Simone. With sets by Mauro Caroli and costumes by Odette Nicoletti; Feb 14, 17, 19

MUNICH

CONCERTS
Philharmonie Gasteig
Tel: 49-89-5481 8181
● Maxim Vengerov: recital by the violinist of works by Beethoven, Shostakovich, Sarasate and Szymanovsky; Feb 19
● Munich Philharmonic Orchestra: conducted by Semyon Bychkov in works by Dutilleul, Saint-Saëns and Tchaikovsky; Feb 16, 17, 18
● Salzburg Mozart Orchestra: conducted by Alfred Eschwa in a programme including works by Gerstlwin and Strauss; Feb 20

EXHIBITIONS
Haus der Kunst
Tel: 49-89-211270
● Arnold Böcklin, Giorgio de Chirico,

Max Ernst: Journey into the Unknown. Selection of 130 paintings, collages and sketches, previously seen in Zurich; to May 3
● Symbolism in England 1880-1910: previously seen in London's Tate Gallery, this show presents work by British pre-Raphaelites alongside that of their European contemporaries. Includes works by Rossetti, Burne-Jones, Watts and Lord Leighton; to Apr 26

NEW YORK

CONCERTS
Carnegie Hall
Tel: 1-212-247
www.carnegiehall.org
Pittsburgh Symphony Orchestra: conducted by Mariss Jansons in works by Corigliano, Beethoven and Shostakovich. With pianist Radu Lupu; Feb 17

EXHIBITIONS
Guggenheim Museum
Tel: 1-212-423 3500
www.guggenheim.org
China - 5,000 Years: more than 500 works of art, ranging from the Neolithic period to the modern, with traditional works displayed at the uptown museum (to Jun 3), and the modern section at the Guggenheim Museum SoHo (to May 25). Uptown highlights include Neolithic jades, Shang and Zhou bronzes, and a collection of Buddhist stone sculptures. The aim of the display at the SoHo museum is to explore the meaning of modernity in China. The whole will transfer to Bilbao in July

Metropolitan Museum of Art
Tel: 1-212-879 5500
www.metmuseum.org
Paul Strand, Circa 1916: 50 rare prints tracing changes in the photographer's style; to May 3

Museum of Modern Art
Tel: 1-212-708 9480
www.moma.org
Fernand Léger (1881-1955): retrospective comprising some 220 paintings and drawings by the early modernist. Having emerged from the Cubist revolution to move towards abstraction, Léger returned to figurative painting following his experiences of war. The exhibition will emphasise the artist's relationship with architects, as well as his work for the ballet and cinema. Previously seen in Paris and Madrid, the exhibition will transfer to the Léger museum in Biot; to May 27

OPERA
Metropolitan Opera, Lincoln Center
Tel: 1-212-362 6000
www.metopera.org
Samson et Dalila, by Saint-Saëns. New production by Elijah Moshinsky, with designs by Richard Hudson; Feb 16

PARIS

CONCERTS
Salle Pleyel
Tel: 33-1-4561 6589
Orchestre de Paris: conducted by Christoph von Dohnányi in Haydn's Symphony No. 88 and a concert performance of Bartók's one-act opera, Le Château de Barbe-Bleue. With soprano Cornelia Kallisch and bass László Pölgar; Feb 18, 19

EXHIBITIONS
Centre Georges Pompidou
Tel: 33-1-4478 1275
www.cnac-gp.fr
Bruce Nauman: spanning the career of

the American artist, b.1941, this exhibition focuses on his relationship with language; to Mar 9, then touring

Musée d'Orsay
Tel: 33-1-4049 4814
www.Musee-Orsay.fr
Manet, Monet, and the Gare Saint-Lazare: places Manet's famous painting in a context provided by works by other artists and a group of related drawings, prints and photographs; to May 17, then transferring to Washington

OPERA
Opéra National de Paris, Opéra Bastille
Tel: 33-1-4473 1300
Tristan und Isolde: by Wagner. New production conducted by James Conlon in a staging by Stein Winge, with designs by Lennart Mörk. Cast includes Wolfgang Schmidt and Sabine Hoss; Feb 14, 18

Opéra National de Paris, Palais Garnier
Tel: 33-1-4343 9696
Così fan tutte: by Mozart. Conducted by Gary Bertini in a staging by Ezio Toffolutti; Feb 14, 18

POLANCO

EXHIBITIONS
Centro Cultural Arte Contemporaneo de Mexico
Tel: 52-5-282 0355
Miró: selection of works belonging to the Georges Pompidou Centre in Paris; to May 24

ROME

EXHIBITIONS
Palazzo Ruspoli
Tel: 39-6-6830 7344
www.palazzoruspoli.it
Fayum: Mummy Portraits. Previously shown at the British Museum in London, this exhibition contains nearly 200 portraits. Painted on wooden panels, linen shrouds, cartonnage or plaster masks, the portraits were created during the first three centuries of Roman rule in Egypt; to Feb 28

OPERA
Teatro dell'Opera
Tel: 39-6-481601
www.themix.it
La Favorite: by Donizetti. New production by Beni Montresor, conducted by Frederic Chaslin; Feb 20

SAN FRANCISCO

CONCERTS
Davies Symphony Hall
Tel: 1-415-864 8000
www.sfsymphony.org
● San Francisco Symphony Orchestra: conducted by Neeme Järvi in works by Tübin, Lalo, Rimsky-Korsakov and Tchaikovsky. With violin soloist Raymond Kobler; Feb 14
● San Francisco Symphony Orchestra: conducted by Vladimir Spivakov in works by Bach, Schoenberg and Bartók; Feb 18, 19, 20

STOCKHOLM

EXHIBITIONS
Moderna Museet
Tel: 46-8-5195 5200
www.modernamuseet.se
● Wounds: Between Democracy and Redemption in Contemporary Art. The inaugural exhibition in the museum's new building examines developments in the visual arts from the 1960s to the present. Includes works by Francis Bacon, Andy Warhol, Gerhard Richter and Per Kirkeby; from today until Apr 19
● 'No one's dogs': 100 Years of Swedish Art. 100 works, specially selected to trace the history of modern art in Sweden; from today until Apr 19

TOKYO

EXHIBITIONS
Metropolitan Art Museum
Tel: 813-3823 6921
Masterpieces of British Art from the Tate Gallery: 100 works on loan from London, including works by Millais and Turner; to Mar 29

OPERA
NHK Hall
Deutsche Oper: Tannhäuser, by Wagner. Conducted by Jiri Kouřil/Christian Thielemann in a staging by Götz Friedrich; Feb 14

WASHINGTON

EXHIBITIONS
National Gallery of Art
Tel: 1-202-737 4215
www.nga.gov
Lorenzo Lotto: Rediscovered Master of the Renaissance. 50 paintings, many of them on loan from Italy; to Mar 1, then travelling to Europe

OPERA
Washington Opera, Kennedy Center
Tel: 1-202-295 2400
www.kc-opera.org
● Samuel Ramey: 'A Date with the Devil'. Recital of arias from operas including Faust, Mefistofele, and The Rake's Progress; Opera House; Feb 18
● Donia Francisquita: by Vives. Conducted by Miguel Roa in a staging by Emilio Sagi; Eisenhower Theater; Feb 15
● The Magic Flute: by Mozart. Revival conducted by Heinz Fricke and directed by Sonja Frisell; Eisenhower Theater; Feb 14

THEATRE
Shakespeare Theater
Tel: 1-202-393-2700
Peer Gynt: by Ibsen. Production directed by Michael Kahn, with Wallace Acton in the title role; to Mar 8

Arts Guide by Susanna Rustin
e-mail: susanna_rustin@ft.com
Additional listings supplied by ArtBase tel: 31-20-664 6441
e-mail: artbase@ft.net

Weekend Investor

Wall Street

Pru makes a dash for the 21st century

... and the Dow hits another high. Normality is returning, says John Authers

Just for once, Wall Street is catching up with a global trend rather than setting it. This week brought the announcement that the Prudential - no relation to its British namesake - is to demutualise.

By doing this, it is - belatedly - catching up with a wave of submission to the market which has already broken over British building societies, and life insurers from Scotland to Australia.

Now that the Pru has started the process of going to market, which is likely to take about two years to complete, one of the last anachronisms of the US financial industry may at last be addressed. It also shows the power of the consumer, and the demand for financial services which go beyond traditional life insurance.

Prudential is the largest US life insurer, but six others of the 10 biggest are also still mutual. To these can be added some giant property and casualty insurers including State Farm, the nation's biggest.

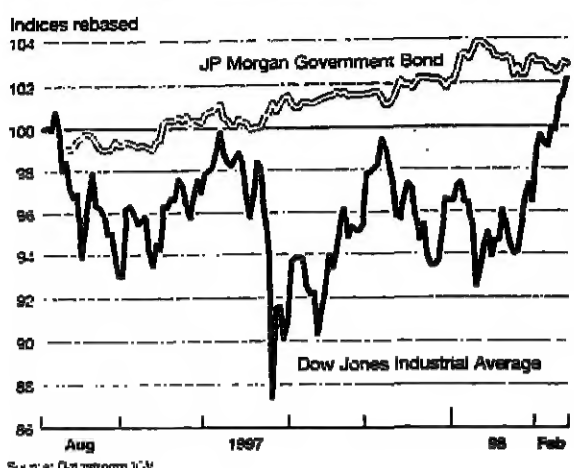
The Pru is emerging from a long spell in the doldrums. Its problems, like its ownership structure, seem distinctly old-fashioned. Most seriously, it has spent several years dealing with a class action lawsuit over the systematic mis-selling of life policies by its sales agents, who were motivated by generating extra commissions for themselves.

This Dickensian practice will ring many bells for those who have followed the UK's life insurance industry in recent years. It seems totally out of kilter in the modern world of cheap mutual funds sold through new media.

The Pru has had to withstand reduced sales, as well as pay-outs to litigious policyholders, to deal with the problem. Its decision to float now signals the final step in its move to modernise, and should ultimately benefit savers.

If it floats, it will be in a much stronger position to provide all its employees with proper incentives, so avoiding any further scandals of the mis-selling type. But, most importantly, it will have the capital and the currency from its own share price to look for acquisitions

One for the history books



Source: DataStream/ICV

and take on the new giants, such as Fidelity Investments and Charles Schwab, on equal terms. The Pru still has one of the strongest brand names in US financial services, even if it has been tarnished a little in the past few years.

The week saw one other event which seemed to have been consigned to the history books - a new record high for the Dow Jones Industrial Average. On Tuesday it reached 9,295.61, and the following day it broke 9,300 for the first time.

The Dow has underperformed other large capitalisation indices, such as the Standard & Poor's 500, for some time now and this was its first new high in six months. As its membership is restricted to the very largest US companies, with large international businesses, it took a greater proportionate hit from the Asian currency crisis than the S&P.

Relatively healthy corporate earnings, and a sudden sense in Wall Street that Asian economies were taking the necessary medicine to avoid a serious recession, lay behind this week's optimism. But, the Dow's recovery should not be exaggerated. It has still gone nowhere for six months.

Predictions from ultra-pessimists, that the great bear market of the late 1990s had started last August, seem now to have been proved wrong, but the market remains highly volatile.

It is trading in a range. As the graph shows, people who bought bonds six months

ago still are showing a better return than those who bought into the Dow.

Private investors seem to have noticed. January, the traditional peak selling month for mutual funds and other investment products, saw the strongest inflow of cash into bond funds since August 1993. According to estimates published this week by the Washington-based Investment Company Institute, these funds took in a net \$11.5bn last month. As recently as March last year, they recorded a net outflow of more than \$2bn.

Equity funds did not develop the haemorrhage that the most pessimistic bears had predicted. The \$18bn which they attracted suggests continued healthy injections of liquidity for the equity market. Even so, this was their worst January since 1995. Last January, they took in \$28.8bn. This must dampen some of the optimism for stocks on Wall Street.

None of this is fuel for the bears, and it might well be true that some of the worst fears about Asia need no longer be reflected in share prices. After the extraordinary performance of the past three years, the latest events seem to confirm that the equity market has returned to altogether more normal behaviour.

Dow Jones Ind Average

| | |
|-----------|-------------------|
| Monday | 8,180.52 + 8.97 |
| Tuesday | 8,295.61 + 115.09 |
| Wednesday | 8,314.55 + 18.94 |
| Thursday | 8,369.00 + 55.05 |
| Friday | |

London

Fleeing from Eddie's revenge

Nightmare on Threadneedle St, by Philip Coggan

Somehow, it seems strange that the fate of the UK stock market is in the hands of a man named Eddie. It does not sound quite the right name for a central banker.

Montagu Norman, the Bank of England governor between the wars, had a much more portentous moniker.

Eddie George has a sound reputation in the financial markets, where he has in the past been dubbed "Steady Eddie" for his willingness to battle with inflation. To manufacturing industry, however, his image is far less benign: not so much as Eddie as Freddy, the razor-fingered villain of the Nightmare on Elm Street films.

The five interest rate increases since last May's general election have squeezed manufacturing industry, especially as they have pushed up the value of the pound and made it difficult for business to compete

in export markets. The biggest fear of many industrialists is that the Bank will raise rates again: a sort of Nightmare on Threadneedle Street: Eddie's Revenge.

To be fair to the Bank governor, the minutes of January's monetary policy committee meeting show that he was one of those voting against a rate rise. It was three outside economists, Alan Budd, Willem Buiter and Charles Goodhart, who voted in favour.

But, just as it seemed that Eddie had mellowed, the Bank's quarterly inflation report, published on Wednesday, indicated that another rate rise was on the way. "The balance of risks implies that it is more likely than not that a modest further rise in interest rates will be necessary at some point to hit the inflation target, looking two years ahead," the report said.

It came as a nasty surprise to many, especially as the

January retail price numbers, released on the day before, showed that underlying inflation had dropped back to the government's target of 2.5 per cent. It seems that consumers were canny over Christmas and waited to make their purchases until the January sales, by which point desperate retailers had slashed their prices.

Moreover, producer prices data, released on Monday, showed the slowest rate of factory gate price increases for 13 years. The markets were beginning to hope that interest rates might have peaked.

So, the Bank's report took a bit of the shine off the UK market's recent rally. The FTSE 100 index lost ground on the week even though, across the Atlantic, the Dow Jones Industrial Average was reaching another all-time high.

It did not help that the week passed without a sub-



Less benign to manufacturers: more Freddy than Steady Eddie

stantial bid - being announced. The speculators have been out in force since the proposed merger between Glaxo, Wellcome and SmithKline-Beecham was announced, but their appetite needs to be fed with actual deals. Instead, there were signs of profit-taking this week, particularly in the banks.

Oil stocks also were hit as disappointing figures from British Petroleum and Shell were accompanied by forecasts that crude prices were likely to remain at their recent depressed levels.

It is quite common for stock markets to take a breather after a rapid rally, so investors need not be too alarmed. But, there might be some sense of panic among biotech investors. While, as this column reported last week, technology stocks have been going from strength to strength, the biotech sector has definitely lost its star status.

Back in May 1996, the sector seemed as if it could do no wrong. British Biotech reported on the second phase of trials on its anti-cancer drug, marimastat, on the back of this news, the company's shares briefly touched 228 during trading on May 21 (the equivalent of 23.80 before the shares split).

At the time, British Biotech's market capitalisation was \$1.9bn and it looked as if it could become a Footsie constituent; now, that market value is just 250m and the share price has dipped below 5L.

An even more dramatic decline has been seen at Bio-

compatible, which developed a coating to make implants more tolerable to the body. Its share price was more than £14 in April 1997, but the lack of an agreement with an industry leader to market its product, and last week's departure of the chief executive, has prompted the shares to dip to around 150p.

The problem with biotech stocks is that most companies in the sector have yet to produce a profit, or even any sales. This means that share prices depend greatly on sentiment - on hopes and dreams for the future. The result is high volatility as optimism gives way to pessimism, and vice versa.

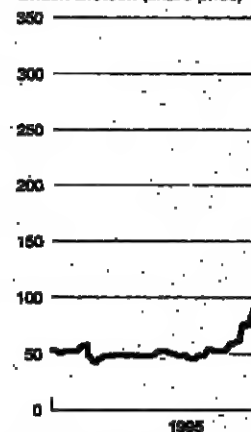
Ian Smith, of Lehman Brothers, says the sector peaked in the middle of 1996. Since then, shares have been affected by a lack of news - late in 1996 and some distinctly negative events, in the form of product delays and failures, in 1997.

The "momentum players" - those investors who buy stocks which are moving ahead already - have abandoned the sector and Smith says product news is still some time away for many of the companies. So, it is hard to see what will prompt share prices to rebound in the short term.

Nevertheless, it seems logical to assume that, at some point, the market's dislike of the sector will have gone too far and value will emerge in individual stocks. *Philip.Coggan@FT.com*

The long retreat

British Biotech (share price)



Source: DataStream/ICV

Highlights of the week

| | Price | Change | 52-week | 52-week |
|---------------------|---------|---------|----------|---------|
| | £/share | on week | High | Low |
| FTSE 100 Index | 5882.3 | -47.4 | 5929.7 | 4214.8 |
| FTSE 250 Index | 4990.2 | +19.8 | 4990.2 | 4366.2 |
| Abbey National | 1184 | -101 | 1346 | 710 |
| Biocompatibles | 148 1/2 | -65 1/2 | 143 1/2 | 115 |
| BP | 795 | -24 | 905 | 682 |
| Calsis Int | 53 1/2 | -25 1/2 | 114 1/2 | 50 1/2 |
| ICI | 1080 | -85 | 1110 | 681 1/2 |
| Ionica | 84 | -20 | 389 | 55 1/2 |
| JBA Hidge | 800 | -440 | 1267 1/2 | 612 1/2 |
| Jarvis | 505 1/2 | -55 1/2 | 514 | 183 1/2 |
| London Clubs | 285 1/2 | +17 1/2 | 419 | 281 1/2 |
| Medeva | 143 | -22 | 330 1/2 | 140 |
| PizzaExpress | 777 1/2 | -61 1/2 | 853 | 535 1/2 |
| United News & Media | 900 | -39 | 910 | 625 |
| Watmoughs | 318 1/2 | -38 1/2 | 448 | 175 |

Barry Riley

Forever blowing bubbles

Should investors be buying while stocks last?



Steve the Strategist mused: "It's a nice change to visit a country that's still booming. Did you know that new car sales in Thailand have dropped 75 per cent? That's what I call a slump."

Escaping from Asia, Steve dropped by this week on his latest world tour, promoting a new stock market model. "We call it FLOWERS," he announced, grandly. "It stands for Factorised Liquidity Optimiser - World Scale." Suddenly, his laptop computer was surrounded by modems, mobile telephones and infra-red transmitters.

After five minutes of messages, such as "unable to connect" and "please check password", the model finally flickered into life and a chart of the Dow Jones Average appeared, projected to 15,000 by the year 2000. My heart sank. This looked like Steve's latest attempt to win a three-page interview in *Barron's*.

"The momentum of the stock market is being persistently under-forecast," he said. "The Dow has been hitting new all-time highs this week, and so have many European bourses. The backward-looking, value-based models which say the markets are ridiculously expensive are totally irrelevant." He pressed a key. "This is different - it's a forward-looking conceptualisation."

Maybe, I ventured, Steve should consider concepts such as profit-taking, which was also evident this week. But it was clear enough, I agreed, that the

dominant investment institutions in western markets - such as the US and UK pension funds, and the US mutual funds - were running out of fresh supplies of the assets that had performed so well for them.

Equities had been booming for nearly 20 years, I pointed out, and government bonds had delivered big returns in the 1990s, too. These institutions,

proposed which encourage the replacement of equity by debt. "As for British government bonds," Steve continued, "the budget deficit is rapidly disappearing. With prospective supply of nil, gilt-edged yields are going below 6 per cent."

In fact, government bond issuance was tumbling throughout the West, I added. The US budget deficit was, of course, about to disappear as

flushed with their success, were planning to expand rapidly - for instance, into new kinds of funded pensions, such as the UK's stakeholder pensions. Meanwhile, the US equity mutual funds were pulling in more than \$200bn a year net. But it was not at all clear where the money could be absorbed.

"Good thinking," agreed Steve. "If I may say so, the UK is a kind of classic extreme case. Cash inflows to British institutions are \$100bn and growing - excuse me, I only work in dollars - and pension funds and life assurance companies already have \$110bn in cash. But the equity market here has actually been shrinking, apart from the one-off boost from demutualisations last year. Share buy-backs by UK companies, for instance, could easily be \$15bn this year, and they will probably be much higher next year because of the corporation tax changes already

proposed which encourage the replacement of equity by debt.

"As for British government bonds," Steve continued, "the budget deficit is rapidly disappearing. With prospective supply of nil, gilt-edged yields are going below 6 per cent."

In fact, government bond issuance was tumbling throughout the West, I added. The US budget deficit was, of course, about to disappear as

flushed with their success, were planning to expand rapidly - for instance, into new kinds of funded pensions, such as the UK's stakeholder pensions. Meanwhile, the US equity mutual funds were pulling in more than \$200bn a year net. But it was not at all clear where the money could be absorbed.

"Good thinking," agreed Steve. "If I may say so, the UK is a kind of classic extreme case. Cash inflows to British institutions are \$100bn and growing - excuse me, I only work in dollars - and pension funds and life assurance companies already have \$110bn in cash. But the equity market here has actually been shrinking, apart from the one-off boost from demutualisations last year. Share buy-backs by UK companies, for instance, could easily be \$15bn this year, and they will probably be much higher next year because of the corporation tax changes already

proposed which encourage the replacement of equity by debt. "As for British government bonds," Steve continued, "the budget deficit is rapidly disappearing. With prospective supply of nil, gilt-edged yields are going below 6 per cent."

In fact, government bond issuance was tumbling throughout the West, I added. The US budget deficit was, of course, about to disappear as

deliver expectations on the basis of bond yields of 8% or 6 per cent?

"That's what the conditions exist for a classic equity market valuation bubble. In Japan in the 1980s, remember, dividend yields went to 0.5 per cent and price/earnings ratios to 80-plus. Now, yields are down to 1.4 per cent on Wall Street, with average P/E's close to 30. We're already well and truly into bubble territory in pharmaceuticals, with Glaxo Wellcome on a pile of 40."

"Too many investors are miscalculating just how far this could go in the next few years. Company bosses, in contrast, are smart enough to realise that, if they load themselves up with stock options and starve the market of new equity supply, they will have investors over a barrel."

But bubbles always burst, I replied. They had just collapsed out of a clear blue sky in Asia. The same would happen on Wall Street when the earnings implications of the Asian crisis were understood fully.

Steve pointed to the screen. "Excess money drives markets," he said. "Earnings per share trends influence individual stocks and sectors but not the overall market. The important point about the Asian crisis is that it is generating still more surplus savings, which are driving down global interest rates. The great bull market will only when people stop saving. That won't be any time soon."



A world of opportunities for the private investor.

If you are a private investor based outside the UK and you have US\$500,000 or more to invest, we can open up the world for you. Our International Portfolio Management service gives you easy access to all major equity and bond markets, through London or through our Channel Islands affiliate.

Our credentials are impressive. We are one of the largest private client investment managers in the United Kingdom. We are

also a member of one of the world's largest banking and financial services organisations.

If you would like to know more, call Stephen Oakes, in London on 1-441 171 526 0564. Or you can fax him on 1-441 171 283 3189.

James Capel Investment Management. We make the most of your international investments, wherever you are in the world.



James Capel Investment Management

Member HSBC Group

6 Bevis Marks, London EC3A 7UQ, United Kingdom

James Capel Investment Management is a member of the HSBC Group. It is a limited liability company registered in the Channel Islands. It is authorised by the Financial Services Authority to accept deposits and to provide investment services. It is not authorised to accept deposits or to provide investment services in the United Kingdom. It is not authorised to accept deposits or to provide investment services in the United Kingdom.

Offshore managed funds and UK managed funds are listed in Section One

مكتبة النخيل

FT WEEKEND

True Fiction

Finding Hollywood's lost plot

Michael Thompson-Noel previews three cheerful movies due for release in mid-2000

It is almost Oscar time in Hollywood. Will Rupert Murdoch, blushing prettily, be prevailed upon to mount the platform to claim his share of the glory when *Titanic* is awarded a prize or two? (Murdoch can blush. Once, wearing my fearless reporter hat, I asked the mogul to admit he had paid excessively for a US publishing company. Murdoch blushed. Studied the floor. Then rallied, as is his wont. "Well," he said at last, his eyes gleaming warningly. "I paid it, didn't I?")

But I don't care about *Titanic*. That is because my sights are clamped on 2000. Recently, I attended a series of planning sessions at a legendary hotel east of Las Vegas where the big Hollywood studios picked my brains while finalising arrangements for the blockbuster movies that will hit the world's screens two years from now.

The studio bosses, stung by criticism that all they do is pump out glop and dross, want to mark the start of the third

millennium with a raft of feel-good movies to cheer us all up. I am related to several Hollywood bosses (not Murdoch) by birth and have told them that the best way to fill cinemas in 2000 will be to capitalise on the millennial optimism that people like me - futurologists, seers - are starting to detect.

As a result, I was summoned to the January meetings out in the desert at which the moguls authorised shooting schedules, casts and finances for the films moviegoers will be fighting to see in two years' time.

Hollywood politics are spookily Byzantine. So it will not surprise you to learn that I was excluded from some of the meet-

ings, mainly those organised by down-at-heel studios owned by people unrelated to me. But the big-budget studios were thrillingly keen to seek my advice. As a result, I can tell you about three movies due for release in mid-2000.

The Day of the Euro. This is a musical (or possibly not) set in 2015. Introduction of a single Euro-currency in 1998 has proved to be a master-stroke. The world has coalesced into one great superstate. Russia, China, Asia, Africa, Oceania and the Americas have folded themselves into what used to be the European Union. World government! Planetary peace and prosperity! But trouble looms!

Where? In cool Britannia, of course, which only entered the single-currency area in December 2014 and is ready to rock 'n' roll right out of it again.

Will the dream of one planet, one people, be wrecked by unruly Britons? Luckily, Bulgarian space engineers produce a solution. Molecule by molecule - this scene alone will cost \$115m - Britannia is beamed in the direction of Beta Pictoris, among whose alien civilisation the Brits, subsequently, cause unending trouble.

With Britain out of the way, Earth's rulers declare a six-month global holiday devoted to (eminently filmable) Dionysian revels. I like the script so much

that I might direct *The Day of the Euro* myself. I have asked for \$25m.

From *Here to Maternity*. That is only a working title. Something better will have to be found. But the film itself will be a humdinger. It is set in 2005. A conference on population trends has been told that new forecasts are projecting a global population, by 2065, of 60bn-plus. There is much alarm. Wall Street is threatening to crash.

On the last day, however, an 18-year-old Dutch boy, Kooos, a trainee chef, is smuggled into the conference hall. To delegates' delight, he reveals he has developed a combined and highly efficacious aphrodis-

ac/contraceptive pill using cheap ingredients (mainly root vegetables) found in any kitchen.

Kooos has tested the product on various happy females and says he is willing to disclose his magic formula free of charge. (The boy's steamy test-runs are handled in flash-back.)

The population experts reconsider their forecasts. As a result of Kooos's concoction, they declare, global population is now expected to subside to 78,450. Wall Street does crash. But hey, who cares?

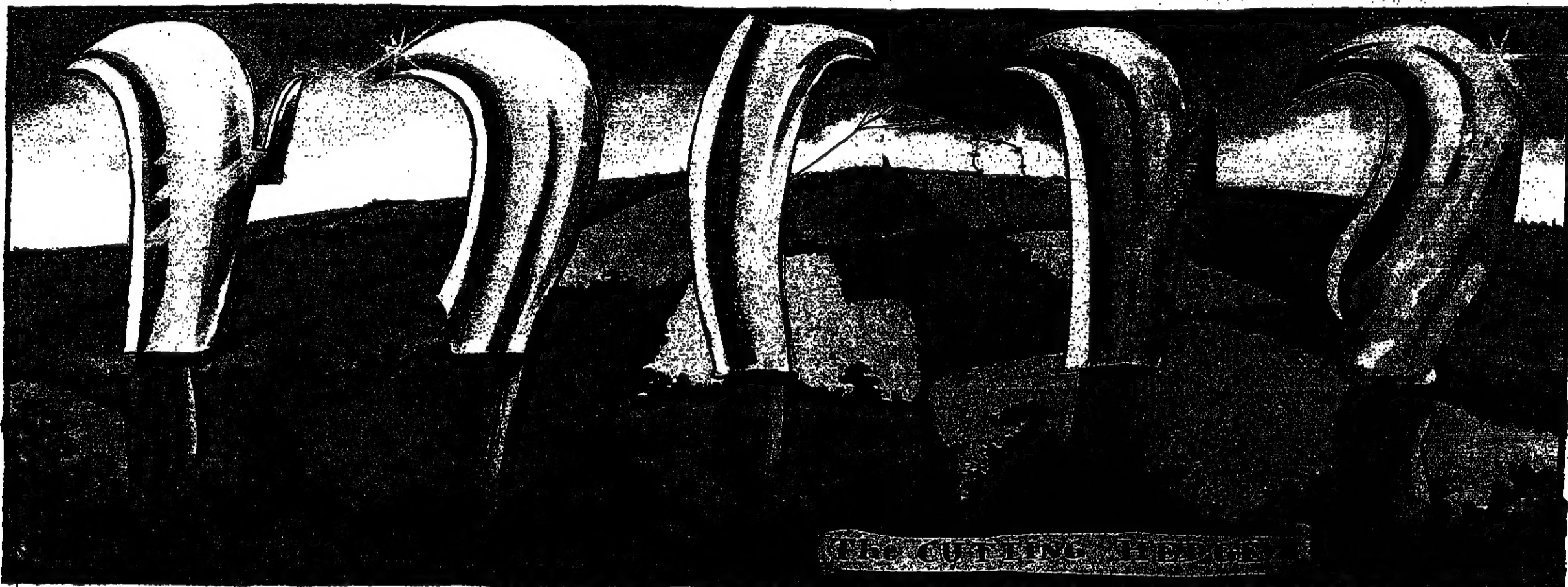
Circus Maximus 2031. The scenario for this is based on a sci-fi story by yours truly that appeared in the FT in December

1996, and foreshadowed the growth of the UK's national lottery into a sinister political entity. In 2031, the lottery is run by a computer called Megalot, which has evolved a highly advanced consciousness.

To further its own ends, the government decides to spend Megalot's profits on providing a national circuit of games, in the style of ancient Rome. It says it will build centimetre-exact copies of Circus Maximus and the Coliseum in central London. There will be battles, chariot races, gladiators, wild beasts.

The tone of the original short story was bleak. But such pessimism is outmoded. The Hollywood moguls want undiluted optimism in the movies of 2000, so *Circus Maximus 2031* is being rewritten by a phalanx of joy-boys, and gaining a happy-clappy finale.

With films like this in the pipeline, Hollywood will no longer be a factory of smut and gunk, but a pleasure palace that truly liberates the human spirit.



Arcadia

Time to take a side in the hedge row

As modern life hacks away at the British countryside, Kieran Cooke ignores his blisters and gets passionate about laying

We are high up in the Chilterns, about an hour's journey from central London. Beacon's Bottom is straight ahead. Bledlow Ridge is to the east, Kingston Blount and Aston Rowant off to the west. A red kite circles overhead, its forked tail etched against a perfect light blue morning sky.

"Right then, time to get stuck into the hedge," says Paul Blisset, hefty looking billhook in his hand. I turn from the landscape to concentrate on more back-breaking matters. We are on a weekend of hedge laying - clearing, thinning and bending a hedge's strongest stems into a near-horizontal weave. Blisset, a master of the art, is trying to muster his 19 troops.

I had always assumed hedge laying was a gentle art, more to do with *theban* than lumberjacking.

But my first blister appeared after less than an hour. "The first thing to do is clear out all the rubbish and old growth from the bottom of the hedge," says Blisset. Hedges are hard work.

Britain has more than half a million miles of hedgerows, occupying an area of land greater than all its nature reserves rolled into one.

Between 1945 and the mid-1980s the country lost more than 25 per cent of its hedgerows. At one time, farmers were offered incentives to remove hedges - home to many hundreds of species of flora and fauna - in order to build bigger, more efficient agricultural units. Then, in one of those policy U-turns beloved of authority, farmers were given funds to put the hedges back in. Some hedgerows simply died of neglect.

But things were different in the old days, when hedges were a prize possession. Hedge stealing was widespread and punished harshly. As I waded into the undergrowth I imagined what it might be like running off across the fields with a hedge under your arm. Or making a report to the local constabulary: "I wish to report a stolen item. About 15 yards long, brown in winter, green in summer."

We are divided into twos. Each pair is given 10 yards of hedge to complete over the weekend. A

nervous novice, I am the odd one out and float between various teams like a trainee hairdresser, studiously watching and tidying up.

Hedge laying has its own vocabulary. The stems cut almost through and then laid down to form the new hedgerow are called pleachers. Heatherings or sters are the long flexible rods, usually ash or hazel wood, used to bind the top.

The idea is to promote growth at the bottom of the hedge. In time it should grow into a solid barrier, promote plant life and be a valuable wildlife habitat. Hedgerows also act as runs for animals to move between isolated woodland areas.

Chopping and sawing away, I think of the way the hedgerow has entered the language. Crafty punters hedge their bets. Fleet-footed financiers hedge funds. There are the patron saints of the hedge - the hedgehog and hedge sparrow. My grandmother is probably laughing down at me. She always used to say I looked as though I'd been dragged through a hedge backwards.

Blisset, a computer specialist

during the week, gives up most of his weekends to teach hedge laying courses. Fran, a systems analyst, gives me a quick safety talk. "Take your glove off when using the billhook else it might fly out of your hand. And don't act the he-man, take things slowly and carefully."

After a morning's work, our hedge, or what is left of it, has more gaps in it than a bad boxer's teeth

Hedges divide areas, keep in livestock, act as windbreaks and, says my friend McCoy, form an essential part of farm furniture: "A cow will amble over to the hedge and have a good scratch against the hawthorn. It's all part of the divine plan."

There is also something quintessentially English about hedgerows. "Old overgrown hedges, full of blossom in spring and set with hollow ivy-tods and other reminders of antiquity, are part of the romance of the English landscape," says Oliver Rackham, an authority on the countryside and its history.

For writer Laurie Lee, hedges were part of the rhythm of rural life. "Such a morning it is when love leans through geranium windows and calls with a cockerel's tongue."

"When red-haired girls scamper like roses over the rain-green grass, and the sun drips honey."

"When hedgerows grow venerable berries dry black as blood, and holes suck in their bees."

Yet England cannot claim a hedgerow monopoly. Around 55BC, Julius Caesar came across them in Flanders. Alexander the Great encountered hedges in what is now Iran. Today, there are hedged fields in areas as diverse as the Peruvian Andes, the Austrian Alps, in Crete and in several states of the US.

After a morning's work, our hedge, or what is left of it, has

more gaps in it than a bad boxer's teeth. "Don't worry," says Fran. "It will all fill out in the end. After a while you begin to see what's being created. People get very passionate about their stretch of hedge."

We stop for tea and sandwiches. I seize the chance to get to know my colleagues. Marcus is an accountant on his fourth hedge laying weekend. "You learn a skill, it's in the open air and it's always good at the end of the evening," Martin, an Oxford economics lecturer, is on fire duty, burning off all the discarded wood and brush. "It's satisfying work and there is a great sense of camaraderie. Nothing like it for taking your mind off life's problems."

Blisset goes up and down the ranks of his troops offering advice and encouragement. "That looks good, nice and neat." He could be an artist admiring a student's brushwork. Blisset is a student of the chainsaw, which is used to fell the more obstinate looking limbs. "The purists say we should not use anything mechanised. I tell them if they feel like that they should

travel by horse and cart."

My novice continues through hours of clearing, chopping and sawing. Chopping the stems to become pleachers is a delicate task. Too much enthusiasm with the billhook and you lose the stem. Too little and it will not bend. "Careful," says Blisset as I hack away.

After years of neglect and removal, hedgerows are again a source of interest. Every weekend during the hedge laying season - October to March - hundreds turn out around the UK with their billhooks and saws. Companies such as National Grid provide money for hedge laying courses.

At the end of the first day my hands are full of thorns and my spine is like a twisted heather. But I would happily lie down and embrace those branches. There is nothing quite like a spot of hedge laying for arousing the sap of real passion.

Other Rackham, The History of the Countryside. Published by Phoenix Press.

*** From Day of These Days by Laurie Lee (Laurie Lee, Selected Poems, Penguin).*

Metropolis

Where life is a façade

Asia's financial crisis could be a blessing for Hanoi, writes Jeremy Grant

The bicycle repair man in my neighbourhood has a problem, and it has nothing to do with the decrepit state of my Chinese bike. Fishing about in an old US army ammunition box for some spares, the war veteran curses the 22-storey office block across the road, towering over what remains of the infamous "Hanoi Hilton", the prison whose eager-to-leave guests included captured US troops. "Now, over there," he gestures toward the elegant, if colonial, French lines of the city courthouse - "wouldn't you prefer to take a picture of that?"

These days, it is hard to find anyone with a good word to say about what is happening to Hanoi. Isolated by war, communist dogma and poverty, the Vietnamese capital is undergoing changes more profound than at any time since its centre was carefully laid out a century ago by a French architect.

Only five years ago, no building was higher than about five storeys, save for a few very grand Soviet-built meeting halls, the standard monuments to communist colonialism. Visitors could stroll along tree-lined boulevards admiring faded villas

with gardens tastefully overrun by tropical vegetation. Cars were rare and cycle-rickshaws the only way of getting around.

But progress has marched in formation down Hanoi's streets, past its tranquil lakes and through the crumbling Old Quarter, leaving stark glass and steel buildings and a jumble of ill-conceived "mini-hotels", supermarkets and food stalls. Masterplans aimed at bringing some order to the chaos have come and gone, foundering on bureaucracy and the greasing of palms. Government height restrictions were introduced in 1994 - too late to stop the worst excesses. And unscrupulous developers, along with unscrupulous local officials, have found creative ways of rewriting the rule book.

High-rises loom inconspicuously over stuccoed villas, some still inhabited by several families or

ageing Vietnam war heroes. A handful of five-star hotels stand half-finished. The only reprieve could come from Asia's financial crisis, which has seriously wounded the more aggressive developers in the region's most elegant capital city.

"The pressure is off. It's a real blessing in disguise," says Lawrence Wilson, an Australian architect and former adviser to Vietnam.

Dao Ngoc Nghiem, deputy chief architect, points to a masterplan hanging on his office wall, packed with grand visions for 2020. He declares an end to any further high-rise construction in the historic city centre. Office blocks are to be banished to an area on the outskirts earmarked for a financial centre.

"By 2020, Hanoi will still have its old face. We'll not go the way of Bangkok, Kuala Lumpur and other cities. We have learned from their mistakes."

Conveniently absent from this

vision is how to get the various agencies involved to implement any plans. Previous initiatives - like one to save 140 villas by letting them to foreign companies - foundered on petty rivalries, corruption and the lack

of consensus among a multitude of offices with conflicting oversight.

Preservation is only part of the issue. The challenge is how to address the demands for improved living standards in a city hopelessly ill-equipped for the modern world. Hanoi was designed for 250,000 people but strains under a population 10 times that. Water and sewerage systems have not been upgraded since the French commissioned them a century ago. Then there are the motorcycles that plague other Asian cities. Every week, 500 new motorbikes join the swarms already on the streets. Public transport is virtually non-existent. Trams pined the streets for decades but were abandoned in 1974, deemed a nuisance in the then pleasantly empty streets.

The Old Quarter, just north of Restored Sword Lake, is targeted for attention. Tourists are drawn to its dense warren of streets with spice shops, old Chinese pharmacies, carpenters, metal workers and shoemakers. There is Basketweavers Street, Zinc Street, Sugar Street. But, charming as it seems to the passing visitor, the inhabitants

are living in a virtual slum. Half of the homes have taps; the rest use communal pipes which empty on to the pavement.

Preservation means little to Nguyen Thuc Oanh, 42, who shares a backyard with 12 households. Ten years ago her mother appealed to the city council to help upgrade basic facilities. "We've been waiting for a reply but haven't heard anything yet."

In the absence of government action, people have gone ahead with their own garish home improvements - strip lighting, plastic hoardings - ruining the fabric of the Old Quarter. Lawrence Wilson says planners should consider creating housing estates, to which the affluent could move, and the selective preservation of the French villa culture. "You don't have to save every French villa should be saved as a showcase. The important thing is to improve

people's living standards."

The tourist crowd, though, will always come expecting to have their picture postcard images of colonial Hanoi confirmed. With a bit of luck, they will not be disappointed. It is still possible to chance on deserted alleyways lined with quirky, crumbling facades, their green shutters yawning open as the day's laundry flutters in the breeze. There might be an old man, still dressed in pyjamas, reading in a wicker chair. Or a woman lighting joss sticks for the family shrine.

Ask Hanoi residents how the city might look in a decade, and many find it difficult to picture the place any different from the way it was when they grew up. That is somehow comforting.

The bicycle repair man thinks for a moment. "I've never been abroad. Maybe it'll be a bit like Dalat" - a cool mountain retreat in southern Vietnam popular with French colonial officers - "they call that 'petit Paris', you know."

هناك من النجف